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U.S.-China Trade Talks **Are Stymied** In All Areas

'Complex' Differences Block Deal on Beijing Effort to Join WTO

> By Erik Eckholm New York Times Service

BEIJING — Dampening hopes for a quick agreement on China's entry into the World Trade Organization, American officials said Tuesday that "difficult and complex issues remain across all areas of trade."

American and Chinese officials have engaged in intense negotiations over the last week here over the scale of mar-ket-opening concessions China must make to qualify for membership in the global body, which sets trade rules. After years of impasse, the two sides

have recently shown a renewed determination, hoping especially for major progress before Prime Minister Zhu Rongji leaves for an official visit to the "United States next week.

The American and Chinese governments both see a trade accord as a political plus in a relationship increasingly strained by disputes over such matters as human rights, charges of nuclear es-pionage and the bombing in Yagoslavia, which China harshly condemns.

Expectations that agreement was near were raised over the weekend when it became known that the U.S. Trade Representative, Charlene Barshefsky, planned to swoop into Beijing for one day, possibly to push through the final

Ms. Barshefsky arrived Monday night and on Tuesday spent a total of five and a half hours talking with a senior trade official, Wu Yi, and Prime Minister Zhu. But on Tuesday evening, as Ms. Barshefsky headed home as scheduled, she issued a written statement saying that although there had been "important progress today in nar-

'substantial gaps in critical areas."

The United States will set no artificial deadlines in these negotiations."

the statement said. Another American official said that important differences remained over,

among other things, market access for See CHINA, Page 15

AGENDA

Connecticut Wins **Basketball Crown**

The University of Connecticut beat Duke University, 77-74, to win the National Collegiate Arhletic association men's basketball title for the first time.

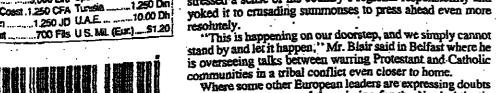
Duke had been the overpowering avonite before the final Monday might in St. Petersburg, Florida, but the Huskies forced two turnovers in the final minute to win a thrilling same, Richard Hamilton scored 27 points for Connecticut and was named MVP. Page 20.

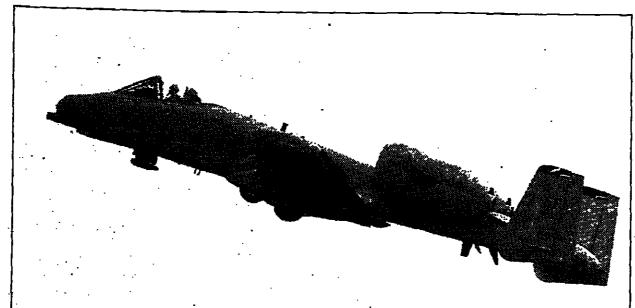
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A U.S. A-10, commonly called the 'Warthog', taking off from Aviano, Italy, for targets in Yugoslavia. The low-flying, maneuverable and tough plane is good for mountain attacks on tanks, artillery and infantry.

Kosovo's Terror, in the Victims' Words

At 3 Border Posts, Albanians Recount Killings, Threats and Expulsion

By Peter Finn, R. Jeffrey Smith and Daniel Williams Washington Post Service

KUKES, Albania — She is 85 years old and curled in a fetal position. A cold mountain wind blows over her rail-thin frame. Her eyes are bloodshot and tearless from exhaustion. Njalledeze Bytyci, matriarch of four generations of the Bytyci clan, raises her hand and says with the remnants of her spirit, "Walk-

ing, walking."
The worst of it began Sunday. Around noon in the village of Leshan, Yugoslav Army and Interior Ministry troops began searching house to house, evicting families and forcing them to a nearby elementary school. As their homes burned and soldiers fired in the air, 5,000 villagers were forced to shout "Long Live Serbia!" in unison. Men were separated from women. Then began the long, forced march.

Sitting now on rubble surrounded by broken glass and garbage on the out-skirts of this frontier town near the Yngoslav border, the Bytyci clan is forother refugees arriving here — they strivived. Behind them in Kosovo lies a scorched land where, according to accounts emerging from people who witnessed the events, hundreds and perhaps thousands of unarmed civilians were massacred by Yugoslav forces during

In the 24 hours from Sunday through Monday, more than 100,000 refugees reached the borders between Kosovo and the rest of the world in one of the largest mass movements of people in Europe since World War II. Many are grief-stricken, stripped of everything by Serb-led security forces that are trying to remake the landscape of the province by emptying it of the ethnic Albanians who account for the vast majority of its

instead of possessions, the refugees carry stories that paint a chilling picture of a corner of Europe: Men with their

More news about the situation in Kosovo. Pages 2, 6 and 7.

hands behind their heads, praying to God for life. Women summoning strength to carry children to safety. The old stumbling and rising anew to keep up with their offspring.

At three border posts in Albania, Macedonia and the Yugoslav republic of Montenegro, refugees described an " campaign under way in Kosovo on a scale that appears greater than NATO or U.S. officials have yet reported. Refugees spoke of being herded like animals, humiliated, terrorized and finally expelled from their homeland. As part of their forced exodus many witnessed executions and massacres, particularly of adult men.

The accounts could not be independently verified; most journalists and all Western observers have been expelled from Kosovo. But refugees from small rural villages and the province's largest cities told of similar events that seemed consistent with a pattern.

What follows are their stories. At 4 A.M. Thursday — the morning after NATO air strikes began — Celin, a town of 2,500 in southern Kosovo, was surrounded by 12 Yugoslav tanks. Fif-

teen minutes later, the shelling began.

Masir Rexhepi, 43, a professor of mathematics, said that he and others fled from their red brick houses to the hills. With him were two distant relatives, Valoni Rexhepi, 17, and Admir Rexhepi, 15. Yugoslav forces had entered the home of the two boys and told five occupants, all men, to remain in the house. The boys eluded them.

At 5:30 P.M., Mr. Rexhepi and the boys sneaked back to their homes. He said he was gathering some valuables when he heard the boys screaming. The bodies of their father, Naim Rexhepi, 37, an economist; his brother, Dirgut Kexhept, 40, and Isamodi Kexhepi, iav in the courtyard with two other men who had sought shelter at the house. All had been shot. Masir Rexhepi said:

In another farmyard, he continued, he and the boys found 13 bodies that had been piled together and burned. He said

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Refugees from Kosovo arriving at a checkpoint near Kukes, in Albania, after they crossed the border Tuesday.

Out in Front, Blair and His Spokesmen

British Are Leading the Battle for Hearts and Minds in the Conflict

By Warren Hoge

LONDON - Prime Minister Tony Blair spoke Tuesday of 'unimaginable suffering and barbarism' in Kosovo. Defense Minister George Robertson told of Balkan killing fields created by Serbian atrocities."

Foreign Secretary Robin Cook referred to "appalling brutality" and "genocide." The three separate briefings on the war, the resort to highly emotive words and the invocation of war crimes tribunal

terms were characteristic of the comprehensive and robust way that Britain is leading the hearts and minds battle in Europe.

More than any other European leader, Mr. Blair has stressed a sense of his country's regional responsibility and

"This is happening on our doorstep, and we simply cannot stand by and let it happen," Mr. Blair said in Belfast where he is overseeing talks between warring Protestant and Catholic communities in a tribal conflict even closer to home.

Where some other European leaders are expressing doubts about the correctness of the mission for the North Atlantic

Treaty Organization, Mr. Blair responds with certainty that the organization should now be an agent of retribution against Serbia for its campaign against the Kosovar Albanians.

"The answer to what is happening is to intensify air strikes," he said Tuesday. The British public has responded with support for the air

strikes and, by a lesser margin, for the entry of ground troops A Gallup Poll published in The Daily Telegraph on Tues-

day showed that 58 percent backed the intervention and 52 percent would support sending in ground troops.

These are higher levels of support than similar polls in

France and the United States have recorded. Significantly, for Mr. Blair and his effort to mobilize public opinion, more than two-thirds of those surveyed agreed with the view that "recent actions in Kosovo constitute a humanitarian outrage and should not be tolerated by the outside

British networks have been giving graphic coverage to the refugee crisis in Kosovo, and executives reported that audiences for prime-time news shows were considerably higher than they had been during the bombing of Iraq in which

See BLAIR, Page 6

Denouncing Serbs, **NATO Intensifies Attacks on Troops**

U.S. Cites 'Clear Indications' Of Genocide Unfolding in Kosovo

By Joseph Fitchett International Herald Tribune

PARIS - NATO warplanes intensified ground attacks on Serbian forces in Kosovo on Tuesday as alliance of-ficials accused Belgrade of waging a calculated campaign against the ethnic Albanian population, comparable to Stalinist terror in Russia in the 1930s and the Khmer Rouge actions to depopulate

Cambodia's cities in the 1970s. President Bill Clinton said the offensive against ethnic Albanians in the province could undermine international support for Serbian claims. He urged U.S. allies to "remain steady and determined" in the effort to curb President

Slobodan Milosevic. "If there was ever any doubt what is at stake in Kosovo, Mr. Milosevic is certainly erasing it by his actions," Mr. Clinton said. "They are the culmination of more than a decade of using ethnic and religious hatred as a justification for uprooting and murdering completely in-nocent peaceful civilians to pave Mr.

Milosevic's path to absolute power.

Iames Rubin, the State Department spokesman, said later that atrocities in Kosovo were approaching the level of

"We have very clear indications that genocide is unfolding in Kosovo," he said. "Clearly, there are crimes against

bumanity. A hint that Mr. Milosevic, the Yugoslav president, was feeling the pressure of nightly air raids emerged when he reportedly offered to withdraw some Serbian forces from Kosovo if NATO would halt its air offensive.

The proposal came after Prime Minister Yevgeni Primakov held talks with Mr. Milosevic in an attempt to broker a

But Chancellor Gerhard Schroeder of Germany said that the Yugoslav proposals did not constitute a basis for

negotiations to end the conflict. The proposals brought by Prime Minister Primakov are no basis for a political settlement," Mr. Schroeder

said at a news conference. A statement from Mr. Milosevic after the meeting with Mr. Primakov reiterated his demands that the NATO raids must stop before he would call off mil-

As Mr. Primakov pursued diplomacy in Belgrade and later in Bonn, President Boris Yeltsin vowed that Russia would 'not allow itself to be drawn into mil-

itary operations in Kosovo or agree to

itary conflict" in the Balkans. He implied that no Russian material assistance would go to Belgrade and that no permanent break was planned in

Russian relations with NATO. Western leaders have ruled out any conditional negotiations and their tone

seemed to be hardening amid the reports of Serbian atrocities. Alliance officials were saying Tuesday that NATO would press its expand-

ing offensive until Mr. Milosevic relinquished his military grip on Kosovo.

The situation in Kosovo was worsening dramatically for civilians and now resembled a modern version of the Great Terror" in the Soviet Union in the 1930s, according to Jamie Shea, the NATO spokesman.

No. 36,103

Mr. Shea said that Yugoslavia's forces had pushed 118,000 ethnic Albanians to flee in the past week.

He added that Kosovo's second-

largest city, Pec, with 100,000 residents, had been "almost totally destroyed" as part of a calculated Serbian drive to depopulate the province by driving out eth-

nic Albanians and razing their homes. No timetable was offered by NATO about how quickly its intensified air campaign could shield Kosovar civilians or deter wider operations by Serbian Army or paramilitary forces.

See NATO, Page 7

Clark Seeks **New Targets** All Over Yugoslavia

By William Drozdiak Washington Post Service

BRUSSELS — A week after launching air strikes against Yugoslavia senior NATO military and political sources said Tuesday that the alliance bombing campaign was encountering serious difficulties and would undergo a radical adaptation because of the surprising ferocity of the Serbian offensive in Kosovo.

These officials said that NATO's chief commander, General Wesley Clark, was being forced to improvise major changes in the original plan for air operations, which had called for a slow and steady escalation of bombing raids, punctuated by pauses, in order to coerce Mr. Milosevic to sign the Rambouillet peace agreement.

With the priority now on inflicting enough damage from the air to halt the Serbian drive to expel ethnic Albanians from Kosovo, General Clark has asked allied governments to give him authority to attack a broader range of targets all over Yugoslavia.

And he has sought the urgent

delivery of many more aircraft to carry out new missions.

But several European governments have expressed qualms about raising the level of risk to pilots as well as Yugoslav civilians.

While North Atlantic Treaty Organization officials insist that allied unity has been fortified by the accounts of Serbian atrocities, they

See CLARK, Page 7

Record Jobless Data Sour Japan's Recovery Hopes

TOKYO - Japan's unemployment rate rose to a record 4.6 percent in February from 4.4 percent the previous month, and spending by workers posted the largest decline in 11 months, deflating the recent hopeful forecasts of Japan's leaders that the nation was marching toward recovery.

"Frankly we have to admit that data for February has been worse than expected," said the head of the Economic Planning Agency, Taichi Sakaiya. "This shows that the economy's ability

to rebound is still extremely weak." Finance Minister Kiichi Miyazawa said he was "worried" about the irend in employment. "Although we've taken steps necessary to ease the jobless problem, we're ready to increase budget spending for jobs if necessary," he said.

The official reactions contrasted sharply with comments in recent weeks that signs of a recovery were emerging. On Monday, following reports of declines in industrial production and retail sales, Prime Minister Keizo Obuchi declared that Japan's worst postwar recession had bottomed out.

On Tuesday, he took a more sober tone, calling the trend in unemployment 'severe' and saying that "more efforts must be made for improvement" in the labor market.

The number of unemployed climbed to 3.13 million in February, up 670,000 from a year earlier, and the highest level since records began to be kept in 1953,

the Management and Coordination Agency said.

The rise in the unemployment rate was more severe than economists had expected. They had predicted that the level would remain flat or edge up 0.1 percentage point.

The management and coordination agency said it was unclear what had caused the jump, but it came amid a flurry of corporate restructuring announcements and a new government push for companies to reduce overcapacity.

Job declines accelerated in manufacturing and construction despite government spending on public works, while women who had not held jobs joined the labor force looking for work, the agency

Darkening the outlook on jobs was the expected continuing restructuring of Japanese industry.

On Tuesday, Hitachi Metals Ltd., a maker of steel materials and electronic components, announced that it would cut 1,000 jobs, or 13 percent of its work force, through attrition in a bid to return to profitability.

Obayashi Corp., one of Japan's largest general contractors, said it would cut 15 percent of its work force, or 1,800 jobs, by the end of March 2004. And Tokyu Department Store Co. announced that its losses had widened in the year ended Jan. 31 and that it would cut its work force by more than a third to

See JAPAN, Page 15

Will Milosevic's Brutality Preclude Any Negotiations With the West?

By Roger Cohen

and evicting the ethnic Albanians has arisen for the West: At what point do brutal acts by Slobodan Milosevic, the sands of Albanians from personal attacks on him by the West ing unclear how Presimple it impossible areas to the control of the control make it impossible ever to negotiate with dent Bill Clinton's administration and its him again?

For now, the political process that man behind these acts. NATO's bombing of Serbia is supposed to bolster is still built around the inpeace agreement offering autonomy to even if he comes around? Our quandary for Kosovo lies within Yngoslavia, and the Albanian majority in Kosovo and to is that the demonization of Milosevic is

By Eric Schmitt

ordered ground troops to Kosovo, a force of 30,000 to 40,000 troops could be

assembled in days and would be suf-

further attack, according to several cur-

NATO officials have emphasized

they are not planning to send ground

at committing even a single soldier to

number of troops, backed by air power,

could sweep into the besieged province

and create havens for the tens of thou-

sands of ethnic Albanian Kosovars flee-

General George Joulwan, who retired in 1997 as NATO's military command-

er, said a 12,000-member force in Mace-

donia that had been poised to enter

Kosovo to enforce a peace agreement if one had been reached could take on a

new mission within seven to 14 days. Some 2,200 U.S. Marines aboard

ships in the Adriatic could respond even

earlier, and additional NATO forces could be flown in from bases in Europe and the United States over the next few

weeks, depending on road and port conditions. The United States has a 1,200-

member reinforced infantry battalion based in Italy. In Bosnia, 8,200 troops

from the elite U.S. 1st Cavalry Division participating in the international peace-

telephone interview from Madrid.

'You'd give that force limited objec-

tives, create a corridor, focus on the refugees, and save some lives."

But even a scaled-back NATO op-

eration would have to overcome the deep

reluctance of the Clinton administration

and the North Atlantic Treaty Organi-

zation to push for a mission that greatly

In a sign of the situation's urgency,

the U.S. Joint Chiefs of Staff met Mon-

day on short notice for about an hour to

Kosovo would pose huge risks, a NATO

force of equal size would have several

Yugoslavia's infantry and armored forces are untested against well-trained NATO troops and would be the targets of

a withering air attack. Its heavy weapons

would come under fierce attack from al-

lied artillery and tanks, which are trained

naissance would also give the allied

forces important advantages.

to engage the enemy from miles away.

advantages, the commanders said.

increases the likelihood of casualties.

The commanders said the smaller

rent and former U.S. commanders.

troops into Kosovo, but U.S.

generals had estimated that

any ground action would require as many as 200,000 soldiers to quelt the fighting, a

force that would not be ready

for months. Thus far, allied political leaders have balked

combat in the Balkans.

ing Serbian attacks.

ficient to protect many refugees from people are talking about."

WASHINGTON — If NATO nations

in Kosovo to police that accord. But with reports emerging daily about As reports of Yugoslav forces killing executions of prominent Albanians -

allies can justify any accord with the

"If even half of what seems to be volvement of Mr. Milosevic. The bomb said one State Department official,

How Many Troops to Do the Job?

forces who helped direct the allied op-

eration in Bosnia. "In many cases, our

respect has been translated into making

them taller than they are. I'm not con-

vinced we need the size forces that

Admiral Leighton Smith, a former

commander of southern NATO forces.

agreed: "It's entirely possible you might be willing to take a geographic area and

A relatively small number, backed by

air power, could sweep into the besieged

province and create havens for refugees.

make it a demilitarized zone. That might require a much smaller force than one to

eject the Serb army from Kosovo." Virtually all of these former com-

manders, as well as several current rank-

ing officers, said that at the very least,

NATO and U.S. officials should not be so

adamant about ruling out a ground campaign, if for no other reason than to give

prepared to come in on the ground, and

that's coloring his reaction to the air

campaign," said one senior U.S. Army general. "Milosevic figures he can

string this out and see if the NATO

'We've telegraphed that we're not

President Slobodan Milosevic pause.

accept the presence of a NATO-led force necessary to maintain the air attacks, but usual directness by Western leaders. each time we denounce him, it's harder

to shake hands with him. including Fehmi Agani, a signatory of since Yugoslavia began to disintegrate briefing Monday, saying: "Anyone who answer. Because if we can't talk to him, emerge from Kosovo, a critical question the proposed peace deal - and about in 1991 that Serbian forces, regular and paramilitary, have gone on a rampage under Mr. Milosevic's rule. Between April and September 1992, close to 1 million Muslims were driven from their homes in Bosnia by Serbian militia armed and backed by Mr. Milosevic, and thousands were killed.

That did not stop the West from doing business with Mr. Milosevic. This time, however, the link between the murder ing is meant to persuade him to sign a "how could we still do a deal with him, and the man appears more immediate,

said. "Not for the time being."

Last week. Army logisticians on their

own conducted an assessment of what

U.S. forces in a Kosovo operation might need, patterning their study on the

peacekeeping mission in Bosnia
"We're looking at how you link things

in Bosnia like supply lines and electronic lines into the theater in Kosovo," said

one officer. "We haven't received any

diers outside the region. These forces are

equipped with more than 400 tanks, 300

armored personnel carriers and more

than 400 artillery pieces in the field or in

garrison, the Pentagon spokesman, Ken-neth Bacon, said Monday.

Only 14 roads lead into Kosovo, Mr.

Bacon said, two of them from Mace-

donia, and the roadways and bridges are

missiles still threaten NATO aircraft. In

addition to regular army forces, there are

roving paramilitary groups that could threaten NATO forces with guerrilla or

A NATO operation forcibly entering Kosovo would have to anticipate all

terrorist attacks.

official directive to do this. It's

just prudent planning."
Without a peace agreement

NATO ground forces would

face a daunting set of perils. Between 17,000 and 20,000

Yugoslav troops now occupy Kosovo, with 20,000 more sol-

tenant General William Carter III, a regency planning was under way for land tired chief of staff of southern NATO forces, NATO spokesman Jamie Shea

Robin Cook, the British foreign seccarries out atrocities against the civilian we have to defeat him and remove population, anyone who gives orders for him. them to carry it out or is complicit in who fails to prevent such orders or to liable to face indictment before the International War Crimes Tribunal."

more reticent but has still made clear that it holds Mr. Milosevic responsible for

what is happening in Kosovo.

slightest chance of doing business with Milosevic anymore," said a senior U.S. retary, all but called for Mr. Milosevic to diplomat in Europe, but we are desbe indicted as a war criminal in his perately hoping that there is some other

That has always been the appeal of those orders being given, and anyone Mr. Milosevic to Washington and the West in general: however distasteful, he prevent those orders being carried out, offered a potential way out of a military anyone in any of those categories is confrontation for which no Western government had any taste.

When the Clinton administration The United States has been a little began to deal with him in earnest in early the most paintess, if not the most edi-"My sense is that there is not the fying, way out of the Bosnian war.

The policy bore fruit in Dayton, Ohio, where Mr. Milosevic signed a peace accord for Bosnia in late 1995, and engagement with him has been at the heart of America's Balkan policy ever since.

Now, in the light of a Serbian brutality in Kosovo that has been unexpected in its intensity, that policy looks shaky. But the alternatives, officials said, are also generally unappealing.
One would be the deployment of

ground troops to secure Kosovo, stop the illing there and eventually unseat Mr. Milosevic. But as yet, there appears to be no readiness in the administration or 1995, it did so precisely because it had among the American public for such a determined that he offered potentially risky step, one that would appear to run counter to the cautious instincts Mr. Clinton has shown ever since the debacle in Somalia that took 18 American lives

Joe Lockhart, the White House spokesman, said Monday that the administration had no intention of introducing ground forces unless there was a

Another alternative lies in the possibility that the NATO bombing, if sustained, will have an increasingly destabilizing effect on Serbia, leading disaffected move against Mr. Milosevic.

But some powerful opposition figures, notably Vojislav Seselj, a lawyer and former paramilitary leader in Bost. nia, are more extreme in their views than Mr. Milosevic. The United States has looked in recent years for credible and moderate opposition figures in Serbia

without unearthing many.

As one official put it, "The fact is Milosevic seems to have either destroyed or driven out anyone who could form a credible opposition over the past

For now the United States and its allies seem ready to persist in the policy of trying to construct a Balkan peace

around Mr. Milosevic.

Mr. Lockhart said Monday that a planned Russian delegation to Belgrade this week would be welcome if it could influence Mr. Milosevic to embrace

But what peace, at this stage, would that be? Russia, presumably, would have to find a face-saver for Mr. Milosevic perhaps the suggestion that UN troops.

any accord in Kosovo. Many political analysts believe that after the wholesale killing of the past week, even the accord reached last month at Rambouillet, France, may look un-

While leaders continue to publicly these threats. Last autumn, NATO derule out the use of ground forces, there termined in a confidential assessment British soldiers of the NATO force in Macedonia during an exercise at a base near Petrovic, 30 kilometers from the Kosovo-Macedonia bandar. are signs that allied officials are leaving that it would take 200,000 troops to the door slightly ajar for a ground option. invade and occupy Kosovo and several base near Petrovic, 30 kilometers from the Kosovo-Macedonia border. Eyal, a British foreign-policy analyst Asked Monday whether any contin- weeks to muster those troops.

51% in Poll Favor keeping force could be tapped. 'You don't have to go all the way to Belgrade,' General Joulwan said in a Clinton on Kosovo, With 31% Against

By Charles Babington Washington Post Service

WASHINGTON - With polls showing that a narrow majority of Americans support his handling of the Kosovo situation, President Bill Clinton is sticking steadfastly to using air strikes alone to combat Serbian aggression, despite reports of arrocities committed against Kosovar civilians.

weigh developments in Kosovo. A Pentagon official, who spoke on condition For the first time since the bombing began last of anonymity, said that if ground forces were discussed, it was only in passing. week, Mr. Clinton made no public statement Monday about the warfare, delegating that duty to Vice While confronting the approximately 40,000 Yugoslav troops in and around President Al Gore.

The president tried to return to a more normal schedule, playing golf in Virginia and preparing for two domestic events Tuesday; one honoring Warren Christopher, a former secretary of state, and the other underscoring Mr. Clinton's proposals for bolstering Social Security.

As White House officials continued to ponder strategies for coping with Yugoslavia, a Washington Post/ABC News poll indicates that 51 percent of Americans approve of "the way Bill Clinton is handling the situation in Kosovo." Thirtyone percent disapprove, and the rest have no opin-

And with NATO warplanes controlling Serbian skies and bombing supply, fuel and communication lines, Yugoslav The poll, conducted on the third, fourth and fifth forces would be cut off and isolated from days of U.S. air strikes last week, showed a modest reinforcements, military analysts say. increase in public support from the pre-bombing NATO's edge in intelligence and recon-

The poll found that 55 percent of Americans support air strikes against Serbia, while 33 percent 'They're credible, but we shouldn't oppose them. However, nearly half (48 percent) said be overawed by their army," said Lieu- they would judge the bombing a failure if Serbian



Holding a sign supporting the bombing of Yugoslavia, a demonstrator at a rally in New York joined in calls for allied ground troops to be sent into the province.

cent in favor.

forces continued to kill Kosovar civilians. The proportion of those saying that America's vital interests are at stake in Kosovo has risen from 27 percent on March 14 - 10 days before the bombing began - to 42 percent. Mr. Clinton repeatedly has argued that the United States has a direct interest in curbing aggression by the Yugoslav president, Slobodan Milosevic, in the rebellious ethnic Albanian region.

The phone poll of 895 adults, conducted Friday through Sunday, has a margin of error ground troops.

Imprime par Offprim, 73 rue de l'Evangile, 75018 Pares.

of plus or minus 3.5 percent. Another poll, made public on Monday by the Pew Research Center for the People & the Press, said that Americans were divided on whether to send U.S. ground troops into Kosovo "as part of a NATO peacekeeping force to help secure peace," with 49 percent opposed and 44 per-

Top Clinton aides continued to defend the administration's bombing policy, repeating that there is "no intention" of deploying U.S.

Yugoslav Military Met With Iraqi Counterparts

By John Diamond

Yugoslav defense officials to Baghdad last month for a meeting that Pentagon officials suspect involved the Iraqis providing the Yugoslavs with detailed information on the a combat tactics of their common enemy, the United States.

Pentagon officials said intelligence collectors were unable to obtain a detailed account of the two-day visit to Baghdad of a four-member Yugoslav air defense team. But they said the timing of the meeting, the attendees, a similarity in Iraqi and Yugoslav air defense tactics, and separate intelligence about possible arms deals between the two countries, all point to Yugoslavia seeking information on U.S. fighter jets and combat tactics. President Bill Clinton and key congressional leaders were notified of the contact, the officials said.

The meeting came at a time when Belgrade was resisting a diplomatic solution to the Kosovo crisis and bracing for threatened NATO air strikes. U.S. officials said they have intelligence indicating Yugoslavia was offering to trade military spare parts in exchange for Iraqi intelligence on U.S. air operations. Yugoslavia may also be seeking parts from Iraq.

The meeting was described by senior Clinton administration officials, Pentagon officials familiar with intelligence matters and congressional officials briefed on the matter. They spoke only on condition of anonymity.

Kenneth Bacon, the Pentagon spokesman, said Monday he could not comment on intelligence matters but said such contacts would not be surprising, given that both countries face essentially the same enemy, both share Soviet-built air defense systems, and both are under international arms embargoes. Defense officials said Yugoslavia wanted such details as: How high do U.S. warplanes fly during attack missions

nd what predictable patterns do they follow? How long does it take a U.S. fighter to react with a radarseeking missile after an air defense battery directs its radar at

TRAVEL UPDATE

France to Issue 'Rail Miles' Cards PARIS (AFP) — France's state-owned rail company. SNCF, plans to offer "rail miles" cards, much like the

"frequent flier" systems operated by airlines.
Holders of SNCF's "Grand Voyageur" card will be able to use "business" waiting rooms, change reservations up to the last minute, claim several reductions and earn free trips.

Unlike air miles programs, however, the SNCF card is subject to a three-year membership fee of 100 francs (\$16.32).

U.S. Shuts Moscow Visa Windows

MOSCOW (Reuters) — The U.S. Embassy in Moscow has temporarily closed its visa windows after it became the focus of angry protests over NATO bombing in Yugoslavia.

Diplomats have mostly abandoned use of the embassy's main building on Moscow's ring road after a failed attempt Sunday to fire a grenade at the building,

Tibet Visitors Need Official 'Guide'

BEIJING (AFP) - China has introduced new restrictions on foreigners traveling to Tibet as the region prepares to mark yet another sensitive anniversary. Foreign visitors to the capital, Lhasa, must now be escorted at all times by an officially approved tour guide, a Beijing-based travel agent said.

Tourists Cancel Trips to Croatia

ZAGREB, Croatia (AFP) — Foreign tourists planning to spend Easter on Croatia's Adriatic coast are being frightened away by NATO air strikes, with more than half of reservations canceled in some areas, local press said Monday.

Panel Investigating Iraqi Arms Wants Inspections to Continue

The Associated Press

UNITED NATIONS. New York - International monitors should continue to inspect Iraq's weapons programs and have the right to carry out intrusive searches, the head of a panel of international experts has said.

The monitors must also maintain the right to investigate past Iraqi activities, as United Nations weapons inspectors have done for eight years, the panel said in a report obtained Monday. The report recommends that the UN Special Commission

responsible for disarming Iraq be "renovated," with more inspectors of different nationalities, and that it include outside experts and have an independent source of funding.

Those elements of the report were clearly a response to recent allegations that the United States - in helping provide the commission with intelligence, experts and resources infused the commission with spies who passed new information to Washington.

The report stressed that "the substantive relationship with intelligence providers should be one-way only."

The Security Council appointed the panel in January after deadlocking on how to resume UN weapons inspections in Iraq that stopped just before U.S. and British air strikes began in mid-December. The United States, which along with Britain has maintained

the toughest line on Iraq among the Security Council members, indicated Monday it was satisfied with the panelists'

fraq has said that inspectors from the Special Commission. known as Unscom, cannot return to the country. Baghdad says that all its weapons of mass destruction have been eliminated. and that an oil embargo imposed after Iraq's invasion of Kuwait in 1990 should be removed.

WEATHER

Forecast for Thursday through Saturday, as provided by AccuWeather. Lowwell

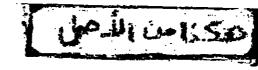
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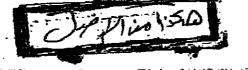
Europe

North America

Very warm with plenty of sunstitute over the eastern half of the country, but and the rest of England will but it may showers and thunderstorms will cross the Plains into the Mulwest Friday London Friday. Dry and and sy Bone showers in the Mulwest Friday London Friday. Dry and cooler. Mild and dry with and Saturbayas, Country mild Thursday from sunshine in Tokyo through cool with showers in the Southwest. Windy and much cooler with showers trainy in Newfoundland itself by Saturday. Could with some sun and a few showers in the southeastern much cooler with showers trainy in Newfoundland itself by Saturday. Cool China mo Tibet. Hot and and dry in southeast Asia and showers in Kosovo.

Latin America





THE AMERICAS

N.Y. Mayor Takes a Swipe at the First Lady

By Dan Barry New York Times Service

NEW YORK — For several weeks, Mayor Rudolph Giuliani and Hillary Rodham Clinton have kind to New York," it reads. "Hilwaged a kind of shadow campaign for the U.S. Senate. He is raising money, and she is peppering people with questions, but both have refused to announce their intentions. It has all been so maddeningly, well,

Until Monday, that is, when the mayor's Friends of Giuliani fundraising comminee posted a new Web site on the Internet. It is called: Hillaryno.com and seeks to raise Not a Proving Ground." money and enlist volunteers for Mr. Giuliani by capitalizing on what the mayor's advisers sense is an untapped world of inveterate Hillary Clinton haters.

trays Mrs. Clinton as a would-be cated by Daniel Patrick Moynihan, a paign did not have a Web site called: carpetbagger with aspirations for Democrat next year.
running for president. "Born in For example people Arkansas, with no connection of any York Senate seat and maybe, prob-

ably, set her sights even higher." It also suggests that Mrs. Clinton is unqualified to serve in the Senate, recalling her "failed health care experiment" and saying that she has no governmental experience and has never been elected to public office. A subtitle to the Web site reads: "U.S. Senate: For Proven Leaders,

Those sufficiently outraged by the prospect of a Senator Clinton from New York are provided with a few ways to vent their anger — all to the benefit of Mr. Giuliani. In fact,

For example, people are informed Illinois and carried to power in that they can donate to Friends of ton's entry into the New York Sen-Giuliani, a federal fund-raising aterace would strengthen his resolve committee, through the mail or on- to run, and before his new Web site lary has set her sights on the New line. "Either way, your dollars will send your message loud and clear -Hillary No!"

sign a petition intended to "send a would considerably bolster the state clear message that you object to Hillary Clinton using the U.S. Senate as a stepping stone to higher office."

Bruce Teitelbaum, executive director of Solutions America, Mr. Giuliani's political action committee, said the Web site was intended to "alert people who are users of the Internet about Mrs. Clinton's potential run for the Senate."

Mr. Teitelbaum declined to elaborate further on why the campaign had decided to bolster Mr. Gi-The Web site — including an the Web site strongly implies that the Web site strongly implies that the Republican mayor will be runlady with her mouth agape — por-

Rudyves.com.

Mr. Giuliani had said Mrs. Clinappeared, he said he would refrain from criticizing her for not being from New York. Several Republican People are also encouraged to strategists have said her candidacy party's fund-raising efforts.

The Internet broadside did not exactly intimidate Mrs. Clinton's supporters; in fact, they described it as the kind of nasty stunt they would expect from Mr. Giuliani.

Judith Hope, the Democratic state chairwoman, said: "The tone of the Web site matches the direction of his approval numbers: negative, negative, negative." Her comment referred to the recent drastic dip in the mayor's poll ratings after police killed Amadou Diallo, an unarmed immigrant from Guinea last month.



Mr. Giuliani's camp opened a Web site called: Hillaryno.com.

slumping prices for grains and livestock and a downturn in export demand by key customers in Asia.

POLITICAL NOTES

WASHINGTON — President Bill Clinton is likely to offer

'some specific recommendation' to help U.S. farmers cope

In the past few weeks there has been growing interest in

"I do believe you will find the administration making some

OAKLAND, California — After three decades in politics.

Jerry Brown knows how to relish the bombshell moments. Last week, after he announced the "resignations" of the popular police chief and two other city department heads his biggest bombshell as mayor — reporters and television news people were calling nonstop, outraged critics were dishing out sound bites and Mr. Brown, peaceful as a monk, was wowing a small gathering of citizens celebrating Greek-American Independence Day at City Hall.

'I'm having fun," Mr. Brown said. And the famously dour Mr. Brown actually sort of smiled. Bur it has not all been fun. In the last several weeks, the former two-term governor and three-time presidential candidate has begun trying to make good on the promises he made at his inauguration in January and reawaken this city "of unfulfilled potential." Mr. Brown has been scrutinizing city departments, lining up his own management team, doing, as he said in an interview, "what any new mayor would do." With almost every move. however, there have been increasing rumblings that the 61year-old novice mayor is charging too hard, too fast. (N)T)

Ouote/Unquote

Representative Porter Goss, Republican of Florida and chairman of the House Permanent Select Committee on Intelligence, taking aim at the National Security Council and wondering what it takes to open communication with Mr. Clinton's national security advisers: "I don't think it would be a bad use of anybody's time to commit to an hour a month for

Test Failure Adds to Doubts About Missile Shield

By Bradley Graham
Washington Post Service

WASHINGTON — A weapon being developed and tested by the being developed and tested by the The repeated inability to demon- ican anti-missile umbrella, warning U.S. Army to guard field troops strate that THAAD's interceptors that such a move would block against missile attack has suffered can hit incoming warheads has imits sixth consecutive miss, raising plications beyond battlefield defurther questions about the costly system and clouding Pentagon plans concept is at the core of the even for a broader missile defense.

encouraged that the interceptor, United States against long-range launched Monday from a test range in New Mexico, came closer to bitting an airborne target than previous also complicate U.S. efforts to pershots. But at a news conference, suade Asian allies to participate in

failure had occurred or what its impact would be on future tests of the Theater High-Altitude Area Defense system, known as THAAD.

The repeated inability to demonfense. The same 'hit-to-kill' more ambitious anti-missile system Senior Pentagon officials were being designed to protect the entire missile attack.

The failure of the system may they said they had little idea why the development of a missile-defense

system. China is waging a vigorous campaign against proposals in the United States to place parts of Asia, including Taiwan, under an American and Taiwan, under an American and Taiwan, under an American and Taiwan, under the Taiwan and T China's hopes of reuniting peacefully with Taiwan.

"If some people intend to include Taiwan under theater missile defense, that would amount to an encroachment on China's sovereignty and territorial integrity and also be an obstruction to the great cause of peaceful reunification of the motherland," Foreign Minister Tang Jiaxun said recently.

This month, the Senate and House

Longer Life for Social Security and Medicare Medicare, the health insurance to a crackdown on waste, fraud and

WASHINGTON — The strong American economy has delayed the projected insolvency date of the Medicare trust fund by seven years, to 2015, and the Social Security

Medicare, the nearm distribution abuse in the programs. The stronger economic growth has helped both Medicare and Social Security by holding unemployment rates close to a 29-year low. fund by two years, to 2034, trustees

transformation we have had," said the latest projection to 2034. Treasury Secretary Robert Rubin.

that stronger-than-expected eco- care not only to the strength of the of-living Social Security raises to nomic growth has added new years economy but also to cost-curring retirees were smaller, and health of life to the retirement programs. agreed to by lawmakers in 1997 and

The Social Security insolvency of the programs said Tuesday. date, which was extended last year. This really is a remarkable from 2029 to 2032, was moved in date, which was extended last year

The trustees of the two programs It is the second consecutive year attributed the improvement in Medi-

Because more Americans are working, taxes that are deducted from canceled and had to agree to penalty of vibrators, saying the state had workers' paychecks to support the fees if future tests also flopped.

programs have risen. Low inflation also saves both programs money because yearly costcare costs remained lower.

passed measures expressing strong bipartisan support for the first time for deploying a national anti-missile system when the technology be-comes available. And President Bill Clinton is seeking \$10.5 billion over the next six years in the event such a weapon can be developed by 2005.

Lieutenant General Lester Lyles, who heads the Pentagon's anti-missile effort, expressed confidence that THAAD's recurring problems can be overcome. He pointed to the successful intercept test two weeks ago of a shorter-range Army antimissile weapon - the advanced Patriot system - as evidence that hitto-kill technology could work.

But THAAD, designed to combat medium-range missiles inside and outside the Earth's atmosphere, faces even more daunting technical

Since the program's unsuccessful intercept attempt in May, the Pentagon has put added pressure on the prime contractor, Lockheed Martin Corp., to solve problems that have plagued the program. The company

As a result of Monday's failure, charged \$15 million. If it cannot propenalty of \$20 million, he said.

Politics

Away From

 A white woman in New York City who gave birth to a black child after she was accidentally implanted with another couple's embryos will surrender the baby to the couple who are believed to be the biological parents. Donna Fasano gave birth Dec. 29 to two boys, one black and one white. The Fasanos decided to raise the white child and allow Robert and Deborah Perry Rogers of Teaneck, New Jersey, to raise the black child.

 A Catholic group is calling for a boycott of San Francisco as a convention site because of a planned Easter Sunday celebration featuring drag queens in nuns' habits. (AP)

 New Jersey food-stamp recipients who spent extra money sent to their accounts by a computer error vill have their payments reduced for 10 months to fix the mistake. About 50,000 recipients crowded stores and spent about \$5 million before

 A federal judge has struck down was advised that its contract could be an Alabama law that banned the sale obscene. A law enacted last year General Lyles said, Lockheed will be included an anti-obscenity statute that barred the sale of items deduce two successful intercept tests signed to enhance sexual pleasure. by the end of June, it faces another including vibrators and certain kinds of condoms.

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EUROPE

'Mad Cow' Infections **Found in French Zoos**

Big Number of Primates Hit by the Disease

By Sandra Blakeslee New York Times Service

NEW YORK - A large number of primates living in French zoos appear to be infected with the agent that causes "mad cow" disease, according to a provocative study published Tuesday in the Proceedings of the National Academy of

Although it is not the first time that the disease has been found in monkeys and lemurs, the extent of the infection is surprising, researchers said.

When 18 apparently healthy lemurs were killed and their tissues examined, every single animal was infected with what looked like mad cow disease. The finding is bad news for people living in Britain who fear that a human form of the disease, called new variant Creutzfeldt-Jakob disease, or CJD, may have similar underpinnings.

For many years, zoo animals throughout Europe were fed protein supplements containing the rendered remains of British cattle, some of which carried a mysterious disease agent called an infectious prion. A number of species that ate the tainted animal feed, including cats and ungulates, developed sponge-like holes in their brains and died in much the same way that cattle in Britain were

dying from mad cow disease.

Suspecting it was the source of infection, feed manufacturers stopped adding British beef to their products in

That same year, Noelle Bons, a neurobiologist at Montpellier University in France reported that a rhesus monkey and two lemurs from the local zoo had died of a brain disease similar to mad cow disease. But the link to animal feed could not be proved.

In the study reported Tuesday, Mrs. Bons and her colleagues fed a large portion of infected cattle brain to two young lemurs that had never before eaten meat. One animal received one dose, equivalent to a 154-pound (70kilogram) person eating a one-pound hamburger made entirely from cow brain. The second animal got two similar doses, a couple of months apart. After five months, one animal showed "a loss in vitality" and was killed by its cage mates, Mrs. Bons said. Researchers then killed the other lemur and the tissues of both animals were examined for the presence of infectious prions.

Another 20 lemurs from three French zoos were also killed as part of program to cull certain animals. Two showed that other primate species are less vulsubtle neurological symptoms but the nerable to the infection, but they have other 18 looked completely normal. All not been examined.

had eaten animal feed containing British beef for many years.

Finally, three young lemurs that had never eaten beef were also killed and their tissues were compared to all the

The vegetarian lemurs showed no signs of infectious prions, Mrs. Bons said. But the two animals intentionally infected and the 20 lemurs living in different zoos showed identical patterns of infection. In primates, the infection first takes hold in epithelial tissues of the gut, moves to tonsils, esophagus, lymph nodes and spleen and then spreads up the spinal cord to the brain, Mrs. Bons

This is the first time that such a pattern has been shown in animals incubating a prion disease, said Paul Brown, a senior research scientist at the National Institute of Neurological Diseases and Stroke in Bethesda, Maryland, and coauthor of the paper. Mrs. Bons said that she suspects the pattern is typical of most prion diseases, called spongiform encephalopathies, found in many mammalian species.

Prion diseases take many years to spread and incubate. Most animals, in-cluding people, can be infected for many years before their brains are sufficiently damaged to produce symptoms. At that point, the disease progresses swiftly and is always fatal.

Thus far, 39 people in Britain and one Frenchman have died from new variant CJD, which most experts think is contracted from eating infected beef, particularly brain tissue. For many years, British butchers mixed cow brains into hamburger meat but the practice ended in the early 1990s after the outbreak of mad cow disease.

The lemurs were probably exposed to more infected meat and brain than most humans, Mrs. Bons said, but how much is required to pass the disease from cows

to humans is not known.

Mr. Brown said, "It doesn't take much to infect domestic cats and ungulates, so we can't draw conclusions one way or the other.

primates in French or European zoos are infected with mad cow disease, Mrs. Bons said, but the number could be very large since most facilities have been using the same sources of animal feed. She did not name the manufacturers.

Thus far, only lemurs and rhesus monkeys have been shown to contract the disease, Mrs. Bons said. It is possible

GRISLY TASK - Forensic experts preparing Tuesday to enter the Mont Blanc tunnel between France and Italy to identify victims of the March 24 fire, after officials took measures to insure the tunnel would not cave in.

Blair and Ahern Press Ulster Leaders

By James F. Clarity New York Times Service

BELFAST - Prime Ministers Tony Blair of Britain and Bertie Ahern of lead to another delay and possibly to a Ireland continued Tuesday to press Protestant and Roman Catholic leaders to olence the peace agreement is supposed compromise on the bitter dispute over to end the disarmament of the Irish Republican Army, which is overwhelmingly Cath-

After meeting with party leaders for four and a half hours Monday night, the prime ministers swept back and forth over this British province in a military helicopter, emphasizing at a number of meetings that time was running out for settling the issue, which threatens to cripple or collapse the Northern Ireland It is not possible to know how many peace agreement approved April 10 last

> The British government has set a deadline of Friday for agreement. At issue is the insistence by Protestant lead-pull people apart?" ers that the IRA make a "credible bepolitical wing, Sinn Fein, is allowed to sit in a new Protestant-Catholic cabinet of the Northern Ireland Assembly, the body designed to carry out the provisions of the year-old peace agreement.

The establishment of the cabinet is to

return of the widespread sectarian vi-

As they began their day with short speeches at the Hazlewood Integrated College, an interdenominational high school in Belfast, the two prime ministers sounded optimistic.

"After talking to the parties here last night and again today," Mr. Blair said, "I do believe that we can get there. It is within our grasp."

Asked about his own religious background, he said, "On my mother's side were very strong Irish Protestants. I married a Catholic although I am Church of

Mr. Ahern, who is from a workingginning" to disarmament before its class district of Dublin, used humor to explain why he opposes a delay in negotiations, called "parking the issue", here. "In my end of Dublin," he said. "if you park things too long they usually get vandalized.

As the meetings continued during the May, 2000.

pave the way for the return by the British government, after 27 years, of home rule powers to Northern Ireland.

Failure to compromise now could day at Parliament Buildings, the home of the Assembly in Belfast, and at Hillsborough Castle, a British residence 20 miles (32 kilometers) south, the atmosphere of sectarian discord prevailed. The IRA attempted to improve its image, among Catholics, in a macabre

> The outlawed guerrilla organization, which has killed more than 1,500 people since 1969, said it would soon disclose the places it buried nine of its operatives executed secretly for being disloyal to the organization.

In the grisly logic of Northern Ireland politics, this was to put a human face on terrorism by returning bodies to relatives who wanted to give them Christian buri-

The IRA statement Monday night apologized for the delay in returning the victims, but not for killing them.

The IRA has observed a cease-fire for more than 20 months, but has repeatedly stated that it will not surrender a single bullet, an ounce of Semtex explosive. Unless it does. Protestant leaders say,

Sinn Fein will be excluded from the new Assembly cabinet. Sinn Fein points out that the peace agreement does not require disarmament before

BRIEFLY

Banks Ask for Hold On Holocaust Cases

PARIS - France has asked a U.S. federal court to suspend judicial action by Holocaust survivors against French banks in the United States, the French Banking Association said Tuesday.

The association said the French government request to the New York Eastern District Federal Court was based on the grounds that the action disrupted attempts to compensate Holocaust victims in France.

Last week French banks announced restitution measures for the accounts of concentration camp victims, which have remained dormant since World War IL

German Court Says No to Kurd Asylum

BERLIN — Germany's supreme administrative court ruled on Tuesday that two members of the out-lawed Kurdistan Workers Party had

no immediate right to asylum.

The court said, however, that they cannot be expelled as long as there is a risk that they will be executed or tortured in Turkey.

Basques Ask UN To Send Observers

VITORIA, Spain — The Basque regional Parliament asked the United Nations on Tuesday to send international observers to the troubled northern Spanish region.

In a resolution, the assembly said such observers are needed to "monitor and analyze" the struggling Basque peace process and municipal elections scheduled for lune

pal elections scheduled for June.

Basque parties seeking more autonomy for the region supported the resolution, which was opposed by those against change.

Legionnaires' 20th

The world's worst outbreak of Legionnaires' disease has claimed a 20th victim, the Dutch Health Ministry said Tuesday.

All were visitors to the Westfriese Flora, the world's largest indoor bulb show.

The results of an investigation into the source of the outbreak are (Reuters)

ASIA/PACIFIC

BRIEFLY

Carter Defends 1978 Decision to Sever Ties With Taiwan

Indonesia to Split Police and Military

JAKARTA — Indonesia's na-tional police force will be separated from the armed forces this week in a move critics hope will render the force more independent and less repressive.

Lieutenant Colonel Salleh Syaaf, a national police deputy spokesman, said Tuesday that the separation would take effect Thursday.

The police force was incorporated into the armed forces in 1966. The incorporation occurred during a period of bloodshed in which hundreds of thousands of people were killed, especially Communists. (Reuters)

Hun Sen Warned On Khmer Trials

PHNOM PENH -- An influential U.S. senator warned after meeting Prime Minister Hun Sen of Cambodia on Tuesday that U.S. aid would be at risk if a trial of Khmer Rouge leaders did not measure up to international standards.

Mitch McConnell, the Kentucky Republican who chairs a subcommittee responsible for drafting for-eign aid bills, said he told Mr. Hun Sen that Washington believed an international tribunal was the best way to deal with the Khmer Rouge, something the Cambodian leader has rejected.

"Aid is not an entitlement," Mr. McConnell said, "and it is conditioned upon a certain type of be-

Aftershocks Hinder Indian Rescuers

CHAMOLI, India - Fresh jolts created panic among weary people as rescue workers Tuesday searched for more bodies and survivors in isolated villages in India's lower Himalayas, where a powerful earth-quake on Monday killed at least 110

people.
Rescuers and local residents rushed into the open as nearly half a dozen light tremors hit the vil-

More than a dozen bodies were found Tuesday as rescue workers used power tools and townspeople scrabbled with shovels and their bare hands to search through the rubble, officials said.

TAIPEI - Amid small but poignant protests and flaring resentment, former icans and made the name Carte President Jimmy Carter on Tuesday deonymous with traitor in Taiwan. fended his decision two decades ago to sever diplomatic relations with Taiwan in order to recognize China.

As one opposition politician demanded that he apologize, Mr. Carter defiantly declared: "I think the decision I made in 1978 was the right one."

Mr. Carter said recognition of think although the decision was not the 1949 civil war, was the key to Asia's security and had helped transform Taiwan into an affluent, pluralist society.

"It was the most difficult decision of apology for its decision and added: I mainly for setting out the Chiangs exiting and added: I mainly for setting out the Chiangs exiting, Taipet's bitter rival since the cause of or the primary reason for the support as key to its dream of "resecutive and had helped transform Taiwas certainly a factor."

In two intervening decades, what then was the most difficult decision of was essentially a U.S. protectorate and "Get out, Jimmy Carter! Traitor of

icans and made the name Carter syn-

"I believed this would realize my dream to see a stable and peaceful region," he said in the keyinder speech of his three-day private visit before having an Kai-shek. Today, the president is a considerable and peaceful relive three-day private visit before having an Kai-shek. Today, the president is a considerable and the considerable and peaceful relive three-day private visits and the considerable and peaceful relive three-day private visits and the considerable and peaceful relive three-day private visits and the considerable and peaceful relive three-day private visits before having any knie considerable and peaceful relive three-day private visits before having any knie considerable and peaceful relive three-day private visits before having any knie considerable and peaceful relive three-day private visits before having any knie considerable and peaceful relive three-day private visits before having any knie considerable and peaceful relive three-day private visits before having any knie considerable and peaceful relive three-day private visits before having any knie considerable and the considera

lunch with President Lee Teng-hui.

Mr. Carter said he owed Taiwan no apology for his decision and added: "I think although the decision was not the

In 1979, Taiwan was under martial hotel. law, run by the Chinese Nationalist gov-

popularly elected.

Still, some still remember Mr. Carter mainly for selling out the Chiangs' exiled Republic of China, which saw U.S. support as key to its dream of "relaking" the mainland from the "Cornal laking" the mainland from the chiangs are laking to the cornal laking the mainland from the chiangs are laking to the chiange to the chiangs are laking t

my life," he said of his late 1978 decision, which triggered attacks on Amerone of Asia's most liberal democracies. the Republic of China!" a handful of the "beautiful development of democracies activists shouted outside Mr. Carter's racy in Taiwan" and pleased to see

"Down the American Imperialism,"

1979, compelled the United States to sell Taiwan defensive weapons and treat threats to the island with concern.

miofficial dialogue.
Though Mr. Carter's severing of ties still stings, many analysts have begun to interpret it as the beginning of the end of authoritarianism in Taiwan.

The snub emboldened what was then an illegal, underground opposition to begin questioning the Chiangs' insist-ence that the struggle against Chinese communism made it necessary to muzzle the local media and to imprison Mr. Carter said he was impressed by critics of the government. (AP, Reuters)

improved relations between Beijing and

Taipei, which have huge unofficial trade

and investment ties and a cautious se-

China Seizes Youth for an Article and Accuses Him of Subversion

By John Pomfret

four-month crackdown on dissent, the Chinese police formally arrested a 19-year recent high school graduate Tues-day on charges of trying to "subvert state power," a serious crime that could land ... Mr. Wang's article said that deep-

him in jail for a term up to 10 years.

Wang Yingzheng was formally booked in Xuzhou, an industrial city in northern Jiangsu Province, according to a Hong Kong-based human rights organization. He had been in custody since Feb. 26, when police arrested him as he was photocopying an article he had written on corruption.

By Mark Landler

reflects rising fears about a flood of

immigrants from mainland China, a

Hong Kong court ruled Tuesday against 17 mainland residents who had claimed

In the ruling Tuesday, however, the high court said mainland residents must

people across the border, with poten-

tially millions of Chinese staking a claim

gration laws.

. Mr. Wang's article said that deep-

seated corruption within the Communist Party disqualified it from the right to lead the nation. Mr. Wang's arrest is the latest in a crackdown that began in December on attempts to form China's first opposition

party, the China Democracy Party. The crackdown - the most serious in China in several years - has landed three men

citing a Chinese proverb about sinking

ships. "It may sink Hong Kong."
The government welcomed the ruling

and warned that it would deport anyone

The 17 people are among more than 1,000 mainland Chinese who entered Hong Kong on temporary visas but now assert they have the right to stay under a assert they have the right to stay under a secret assert they have the right to stay under a secret assert they have the right to stay under a secret assert they have the right to stay under a secret assert they have the right to stay under a secret assert they have the right to stay under a secret assert they have the right to stay under a secret assert they have the right to stay under a secret assert they have the right to stay under a secret assert they have the right to stay under a secret assert they have the right to stay under a secret assert they have the right to stay under a secret assert they have the right to stay under a secret assert they have the right to stay under a secret assert they have the right to stay under a secret they have the right to stay under a secret they have the right to stay under a secret as a secret they have the right to stay under a secret they have the right to stay under a secret they have the right to stay under a secret they have the right to stay under a secret they have the right to stay under a secret they have the right to stay under a secret they have the right to stay under a secret they have the right to stay under a secret the secret than the right to stay under a secret the secret than the right to stay under a secret the secret than the right to stay under a secret than the right to stay und

In the ruling Tuesday, however, the high court said mainland residents must return home first and apply to Chinese authorities to move to the territory. Otherwise, it predicted a chaotic rush of erwise, it predicted a chaotic rush of voluntarily."

The truling Tuesday, however, the high court said mainland residents must remainling in Hong Kong illustration from the ruling Kong government, the court later clarified its judgment to reassure Beijing that it was not challenging China. That average a constitutional crisis but still left Hong Kong with a logistical problem of notation was directly as a constitution of notation with the ruling triangle in Hong Kong illustration in Hong Kong illustration in Hong Kong illustration in Hong Kong illustration in Hong Kong government, the court later clarified its judgment to reassure Beijing that it was not challenging China. That average is a constitutional crisis being the remaining in Hong Kong illustration in Hong Kong government, the court later clarified its judgment to reassure Beijing that it was not challenging China. That average illustration in Hong Kong illustration i

The movement of people between

recent court ruling that relaxed immi- cording to lawyers for a group of main- freer society than the mainland.

land residents.

voluntarily."

Mr. Wang graduated from high school in jail for prison terms of 10 years or Tuesday in Beijing.

China has also begun another round of

who were not related to the founding of nology for use in China.

Mr. Wang's arrest comes ahead of an important visit to the United States by Prime Minister Zhu Rongji next week. A flurry of diplomatic activity is occurring ing, chairman of the Senate Foreign Re-in Beijing in preparation for that trip. World Trade Organization continued

regulated large influx of new immigrants colony and its new sovereign. In January. people could claim residency. If even a

least one parent living in Hong Kong had the right to residency in the territory. The decision angered Beijing, which

viewed it as an attempt to usurp the its

Under intense pressure from the Hong

of potentially vast dimensions: How to

deal with the immigrants.

17 Immigrants Must Go, Hong Kong Court Declares

to residency in Hong Kong. Hong Kong and China has become a flash point between the former British

HONG KONG — In a decision that to Hong Kong will be an unbearable Hong Kong's highest court ruled that portion of those people chose to move to flects rising fears about a flood of burden," said the judge, Wally Yeung, children born in the mainland who had at Hong Kong, these officials said, it would

Washington Post Service

BEUING — In the latest episode in a burn-month crackdown on dissent, the burn-month crackdown on dissent, the crack Movement in China, said be cracked burn-month crackdown on dissent, the crack Movement in China, said be cracked burn-month crackdown on dissent, the crack Movement in China, said be cracked burn-month crackdown on dissent, the crack Movement in China, said be cracked burn-month crackdown on dissent, the crack Movement in China, said be cracked burn-month crackdown on dissent, the crack Movement in China, said be cracked burn-month crackdown on dissent, the crack Movement in China, said be cracked burn-month crackdown on dissent, the cracked burn-month crackdown on dissent burn-month crackdown on dissent burn-month crackdown on dissent burn-month cracked burn-month crackdown on dissent burn-month crackdown on dissent burn-mon

the opposition party.

Mr. Wang is specifically accused of helping one of the party's founders, Qin Yongmin, a dissident who was sentenced to 12 years in jail in December.

Mr. Wang's arrest comes aband of an arrest comes are arrest cuss congressional concerns about U.S.-China relations. The leader of that group, Craig Thomas, Republican of Wyomlations subcommittee on East Asian and Negotiations on China's entry into the Pacific affairs, said the Chinese were in "denial" about the difficult nature of

million that is already among the world's most densely populated.

The people who are fighting to stay in Hong Kong say its immigration laws are ournoded and tear families apart.

"If I had to go back, it would be very hard for me to apply to come again," said Kong Kwoktai, a 25-year-old from

neighboring Guangdong Province, whose mother is from China and whose father is from Hong Kong. Mr. Kong was left behind with relatives in the mainland

when his mother migrated to Hong Kong

U.S.-China relations.
Mr. Thomas said U.S. senators, in meetings with senior Chinese leaders, including Li Peng, one of the three top Communist Party officials in China, had difficulty convincing them about the depth of U.S. concerns on China's hnman rights record, allegations that Chinese spies stole nuclear weapons secrets from U.S. labs. China's \$57 billion trade surplus with the United States and China's continued threats against

"We basically said, 'Help us a little bit with these things so we can get confidence back in the United States about this relationship," Mr. Thomas said in an interview.

an interview.

"Mostly, we ran into a denial simation — that none of these things were really true. That's not a very good message to try to sell back home."

Mr. Thomas, who has backed engagement with China, said the disurbing thing for him was that "progress that went on for the last 10 years has slacked off." Privately, government officials said went they believed that at least 1 million off."

The senator said he believed the Chinese leadership was extremely conplace a huge burden on a city of 6.8 because this year marks the 10th anmillion that is already among the world's

niversary of the Tiananmen Square cerned about domestic unrest, especially crackdown. "They are very uncertain about their future," he said.

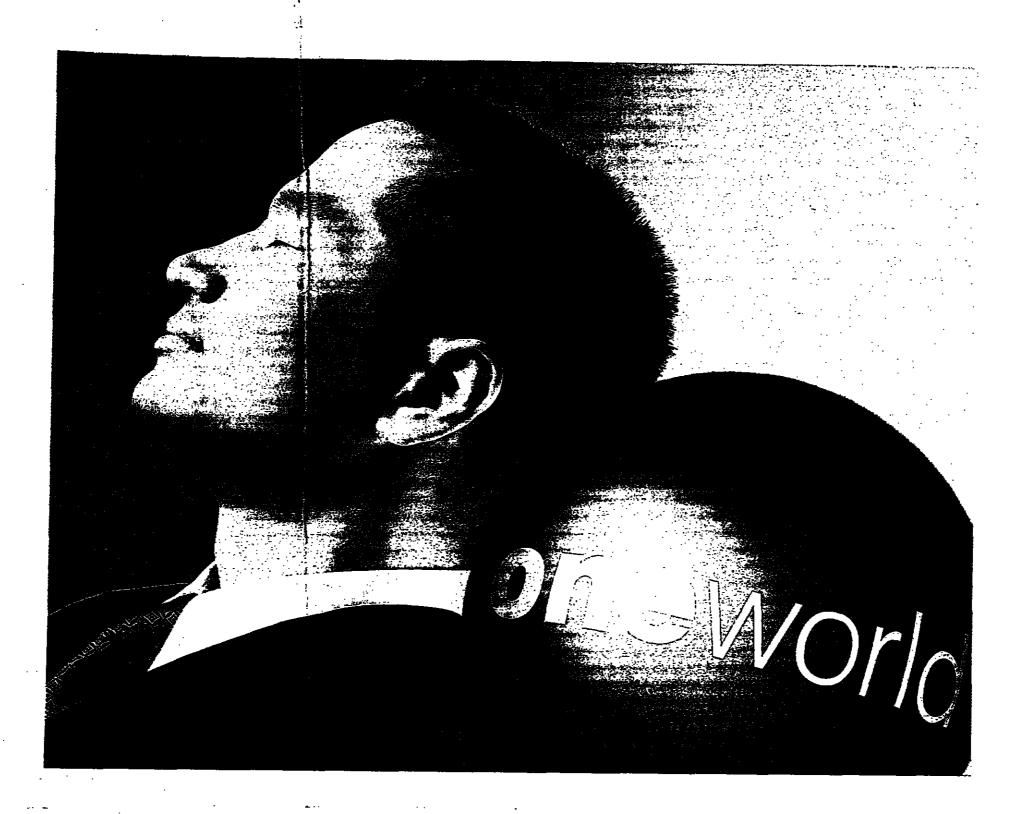
Of particular sensitivity, he said, was talk about the Dalai Lama, the spiritual leader of the Tibetans, who has been exiled from China for 40 years.

On Tuesday, a report on the human rights in Tiber charged that one in 334 Tibetan male political prisoners and one in 20 female prisoners held in Tibet's main Drapchi Prison since 1987 died of maltreatment.

10 years ago. "If we lose this case, I will The London-based Tibet Information feel very helpless and hopeless about having to go back," he said. Network also charged that about 25 per-cent of the prisoners had been abused.

نعك إمن الله موا





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INTERNATIONAL

Bonn Scorns Milosevic's **Bid for Talks**

Plan Brought by Russian Rejected by Schroeder

Compiled in Our Stuff From Disputs on

BONN - Chancellor Gerhard Schroeder said Tuesday that the Yugoslav proposals brought by Prime Minister Yevgeni Primakov of Russia were unacceptable as a framework for negotiations to end the Kosovo conflict.

The proposals brought by Prime Minister Primakov are no basis for a political settlement." the German chancellor told a news conference after a meeting with the Russian leader. Mr. Primakov flew to Bonn from Bel-

grade, where he met earlier Tuesday with President Slobodan Milosevic of Yugoslavia. Mr. Milosevic said that he was ready to resume the Kosovo peace talks if NATO stopped bombing Yugoslavia.

Mr. Primakov said. Western officials, however, demand a halt to Serbian operations in Kosovo and the deployment of alliance troops in the

Serbian province. Mr. Schroeder said Mr. Milosevic must send the West a clear signal of his willingness to enter serious peace talks and to respect peace agreements.

The first and most significant signal must be the complete withdrawal of military and paramilitary forces from Kosovo so that the killing in this part of

Europe can be stopped, he said.
Mr. Primakov said that Yugoslavia could reduce its troops in Kosovo if NATO stopped air strikes. Mr. Schroeder said he would be passing on Mr. Primakov's report to the other 18 members of NATO and that Russia's "constructive role" in seeking a political solution to the crisis had not ended.

Mr. Schroeder said that he believed that Mr. Primakov would return to Moscow without holding any further consultations with the Western alliance. The Russian prime minister said that

the pledge by Mr. Milosevic was the outcome of six hours of talks between the two leaders in Belgrade.

Mr. Primakov spoke to reporters after arriving in Bonn to brief Mr. Schroeder. who currently chairs the 15-nation European Union.

A statement from Mr. Milosevic repeated past demands that the North Atlantic Treaty Organization must stop bombing before he would agree to halt operations in Kosovo or agree to peace

To open the space for negotiations. aggression on Yugoslavia has to stop immediately," said the Milosevic state-

Mr. Milosevic also called for NATO troops in neighboring Macedonia to be removed and for a halt in alleged NATO support for the Kosovo Liberation Army, the ethnic Albanian rebel group.

He called ending the NATO attacks and finding a peaceful solution for Kosovo "of utmost importance for the future of the Balkans, which is at the

brink of a new explosion." 'Milosevic,' the Russian leader said through an interpreter. "is ready to find a political solution to all issues if the

bombardment stops. Mr. Primakov said that Mr. Milosevic have been on their holidays, and was ready for "constructive negoti-

goal of the talks to be "that the interests of all groups in Kosovo must be main-- a reference to the Serb minority in the largely ethnic Albanian

province of Yugoslavia. Mr. Milosevic also pledged to reduce to papers on the center left like mersed in a civil Yugoslavia's military presence in Kosovo if NATO stopped its strikes.

according to Mr. Primakov. The Russian prime minister also indicated that Mr. Milosevic is insisting on steps to disarm ethnic Albanian rebels. Earlier, Germany's defense minister, Rudolf Scharping, told reporters that Mr. Milosevic "will try over the next

two to three weeks to turn Kosovo into a region of destroyed villages where the adult male population will have been interned or killed and the rest driven out



Prime Minister Primakov, left, conferring Tuesday with President Milosevic on proposals for a peaceful solution.

Yeltsin Vows to Avoid Balkans Crisis

'Russia Has Made Its Choice,' He Tells Parliament in Annual Speech

By Celestine Bohlen

MOSCOW --- Amending his annual state of the state speech to take account of the war in Kosovo. President Boris Yeltsin told political leaders Tuesday that Russia ' will not allow itself to be drawn into military

start of a speech that presented Russia as a country at a critical historical juncture, in danger of being relegated to a second rank of nations if it failed to overcome its political divisions and economic weaknesses.

Mr. Yeltsin again condemned the which in the last week have drawn a belligerent reaction from Russian opposition leaders, who have called for renewed military aide to Belgrade and the dispatching of volunteers to fight with Serbs in Kosovo.

But the president appealed for rehas made its choice."

As Mr. Yeltsin spoke Tuesday in the debt burden.

Kremlin before both houses of Parliament and as members of his govemment. Prime Minister Yevgeni Primakov, accompanied by top diplomatic, military and intelligence officials, traveled to Belgrade and Bonn on a mission to try to bring about a political settlement in Yugoslavia.

With the outcome of those talks still hanging in the balance, Mr. Yeltsin The president's words came at the told his audience that in striving to bring peace to the Balkans, Russia was not neglecting its "prime duty," which, he said. "is to prevent any discord inside the country.

Our weight in the world arena dehome. he said. "This means that we NATO strikes against Yugoslavia, need order in government, accord in society, stability in the economy and the social sphere.

Mr. Yelstin's appeal came as the first wave of anti-Western hysteria, which peaked Sunday with a gun attack on the U.S. embassy, subsided. In a reminder of Russia's depend-

sponsible actions, rather than "emo- ence on international goodwill, Mr. tional assessments. "More and more Primakov struck an agreement Mon-financial collapse last August and fall. political leaders understand that in day with Michel Camdessus, man- he pointed the finger at the oppositionch situations brute force does not aging director of the International achieve anything," he said. "Russia Monetary Fund, on the broad outlines said, in rejecting the government's fis-

In Russian newspaper and television reports Tuesday, more information was provided about the reasons for the mass exodus from Kosovo, as refugees gave accounts of being rounded up by Serbian policemen and forced out of their homes. Until now, official Russian spokesmen have insisted that the refugees were fleeing NATO bombs, and that reports of "ethnic cleansing" were nothing but Western rumors and propaganda.

Speaking in a steady voice, Mr. Yeltsin described Russia now as a country stuck between two economic "We've created a freakish pends on how we solve our problems at model," he said, "a hybrid of the two

> He called on the Primakov government to move ahead with an economic program. "It is just six months before the start of elections," he said. "This time will have to be used not only to patch up holes. It is high time to identify the new priorities, chief among them Russia's economic competitiveness,

Analyzing the causes of Russia's dominated lower house, which, he of a plan to relieve Russia's foreign cal program, had sent 'a bad signal to

Ex-Paraguay President Finds Asylum in Brazil

Brazilian Air Force plane dipped down out of rainy skies, stopped for mere minutes at Asuncion's airport, then took off with Paraguay's disgraced former esident aboard.

Raul Cubas left the country for his first day of political asylum in Brazil on Tuesday, while his successor struggled to unify a country wobbly from a political crisis marked by an assassination, riots and an impeachment trial.

The plane carrying Mr. Cubas and his family touched down early Tuesday in Itajai, about 700 kilometers (420 miles) southwest of Rio de Janeiro, airport authorities said.

News reports said Mr. Cubas went immediately to nearby Camboriu, a re-

sort where he has an apartment. The former president had taken refuge late Monday at the Brazilian Embassy residence in Paraguay while Brazil con-

sidered his asylum request. Mr. Cubas faced impeachment and

ident Luis Maria Argana. Mr. Cubas will probably get permanent asylum in Brazil, Foreign Minister Luiz Felipe Lampreia said Tuesday.

"It has been a long tradition in Latin America, since the 1920s, when there were many dictators in the region, and I feel it very important to preserve it," Mr. Lampreia said in an interview with Globo Network TV. "Normally we give asylum for a set period of two years, renewed. But there's still no decision in this case. He has lot of ties to Brazil."

Mr. Lampreia said President Fernando Henrique Cardoso had telephoned Mr. Cubas on Sunday, when Paraguayans rioted in the capital and 'we all feared a bloodbath.'

Brazil has a vested interest in Paraguay's stability. Some 300,000 Brazilians live in Paraguay, and the two countries are co-owners of the huge ltaipu dam on their common border, which supplies 30 percent of Brazil's

electricity. Brazil is also the adopted home of Alfredo Stroessner, the former Paraguayan dictator who fled into exile when he was overthrown in 1989.

Mr. Cubas's arrival in southern Brazil came just hours after the man viewed as his political master, Paraguay's former army chief Lino Oviedo, won asylum in Argentina, Mr. Oviedo fled Paraguay after Mr. Cubas resigned.

Paraguayan legislators and the state prosecutor sought the arrest of Mr. Cubas for failing to prevent riots Friday in which 6 people were killed and 200 were wounded. The unrest was triggered by the slaying of Mr. Argana by gunmen in

military uniforms. In Paraguay, however, the arrival of

He Leaves Behind a Badly Shaken Nation Luis Gonzalez Macchi as the country's ASUNCION, Paraguay — The new president does not guarantee razilian Air Force plane dipped down months of bickering among the coun-

try's politicians has come to an end. The abrupt transfer of power was the latest evidence of the fragility of youth-ful democracies across Latin America. Ten years after the fall of General Stroessner's dictatorship, Paraguay is still trying to step out of the long shadow of his 34-year rule.

Some observers skeptically watched the crisis unfold over the past week. calling it one of the more bitter, and certainly more bloody, manifestations of the feuding within the Colorado party that has ruled through dictatorship and democracy since 1947.

"Poor Paraguay. Another stage in the warfare within the Colorado," said Riordan Roett, director of Western Hemisphere programs at Johns Hopkins University. "It's been a decade of rivalries

and factions. The crisis sparked by Mr. Argana's killing led to the removal of one of the resigned amid turmoil that erupted with the assassination March 23 of Vice Presparty: Mr. Oviedo. Mr. Cubas. a close party: Mr. Oviedo. Mr. Cubas, a close 🔩 ally of Mr. Oviedo's, lost most of his support within the Colorado Party only days after taking office in August when he freed the former general from jail. where he was serving a 10-year sentence for spearheading a 1996 coup attempt against President Juan Carlos Wasmosy. Mr. Cubas's opponents threatened him with impeachment and his own brother resigned as commerce minister, loudly

criticizing the decision.

Juan Carlos Galaverna, a lawmaker. said at the time that Mr. Cubas had "freed the man that could begin a diabolical plan to persecute everyone

who he thinks is not with him. Opponents of Mr. Oviedo call him a throwback to the strongmen who ruled many South American countries during the 1970s and '80s. He enjoyed support in Paraguay's countryside where he often gave rousing speeches in the in-digenous Guarani language.

(AP, Reuters)

BRIEFLY

U.S. Asks EU Help On China Censure

GENEVA - The United States appealed to the European Union on Tuesday to back its efforts to censure China before the UN Human Rights Commission.

There has been a deterioration in the human rights condition over the past year." said Harold Hongju Koh, a U.S. assistant secretary of state, voicing concern about the "deprivation of the right to democracy and the right of political par-

ticipation."
The State Department announced Saturday that it would revive efforts for the 53-nation human rights commission to criticize China. China instantly warned that the U.S. bid would fail — as it has done in the

For the Record

Two of Mexico's biggest banks, Grupo Financiero Bancomer SA and Grupo Financiero Serfin SA. have agreed to plead guilty to criminal charges of money laundering in cases stemming from a major investigation into the movement of illegal drug profits. Strong pressure had been exerted by the Mexican government to have the criminal charges dropped.

Tanzania has arrested a former Rwandan Army officer, Bernard Ntuyahaga, wanted by both Belgium and Rwanda for his alleged role in the 1994 genocide, paying the way for his extradition, a Tanzanian official said Tuesday. (AP)

BLAIR: Out in Front in Conflict, Britain Is Leading the Cheers for NATO's Kosovo Role

Continued from Page 1

Britain also actively participat-

'We are showing places being bombed close to where they that tends to keep the concentrations."

He said Mr. Milosevic wanted the said of the tells to be within the investment of the tells to be within the investment.

London. The British press has been largely supportive, from the jingoistic characteristically tabloid Sun ("Clobba Slobba") The Guardian and The Independent, both of which have they were not championed the intervention and urged Mr. Blair to recon-

infantry. Mr. Blair has argued that combat troops are not an option because of the numbers needed and the time it would take to

assemble them. (Reuters, AP) Yugoslavia and the passion veloping nations and its in-things from a moral point of

vention to protect the oppressed

with Serbian repression and violence in Bosnia the early

The British then were reluctant to get imwar situation

sider his refusal to send in the U.S. involvement there.

1990s.

convinced af-

On becoming prime minister. Mr. Blair established a more assertive British foreign policy.

Britain's aggressive commitment to the air strikes in

projecting it as justified interhis Conservative predecessor, up with military force.

John Major, when confronted "There has always been a

responsibility fected them and dubious about

saving his purpose was more to follow broad international ethics rather than strict national

Britain's arms sales to de-

with which Mr. Blair has been volvement in some West African political crises have called that pledge into question, but in are a marked departure from the the Balkans, the new objective conduct of the government of has been followed and backed

strong tradi-

Labor Party

should only

fight wars for

you

More than any other European leader, Mr. Blair has stressed his

strongly moral ' said reasons, country's regional Vernon Bognador. professor of government at Oxford. "People do feel revol-

ted when they see ethnic cleansing; it reminds people too much of the Nazis. Asked if Mr. Blair's personal motivation played a role in Britain's current stance, Professor Bognador said. "It's fair to say

that Blair feels very strongly

about it because he tends to see

"He believes in rights and responsibilities at home, and he does abroad too. He wouldn't be fighting if this were just a matter of great power politics," the professor said.

In power terms, the size and skill of its military and its willingness to use force has given Britain more impact abroad than other European countries. Britain is trying to assert it-

self in Europe at an awkward moment since it is not among the countries participating in the Continent's grand new venture. the adoption of the euro as the common currency.

the communications war is one being waged with an English accent is the fact that the two daily briefers in Brussels, Jamie Shea, the chief North Atlantic Treaty Organization spokesman, and Air Commodore David Wilby, his uniformed aide,

are both British. London's closeness to Wash-

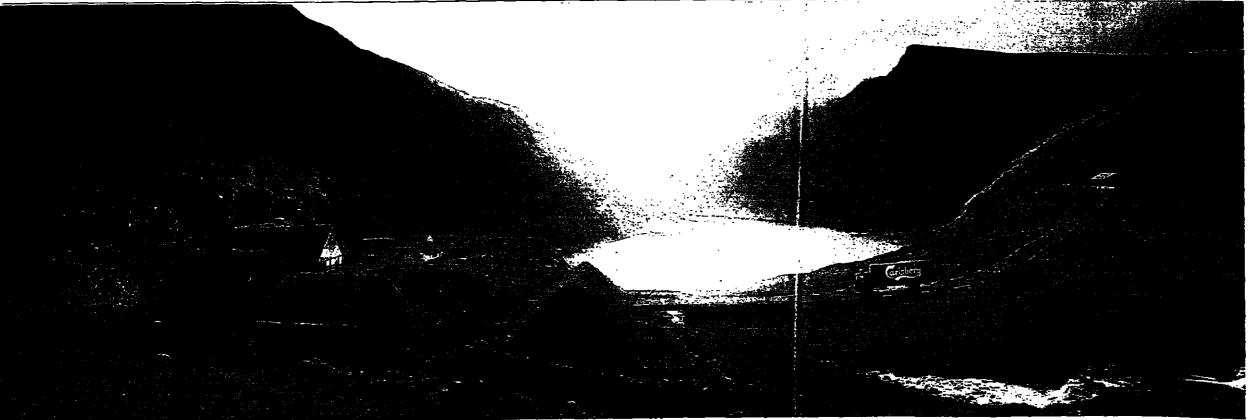
ington under Mr. Blair has made Britain suspect in many European capitals, though Mr. Blair argues that his warm relationship with President Bill Clinton should be viewed by other Europeans as enhancing

White House officials, asked about the American-British alliance in Washington last month, said it was the strongest it had been since World War II. Mr. Blair's assertiveness came in for particular praise.
"Blair himself has a real

his influence.

grasp of foreign affairs, and we've been able to get around all those lawyers in the Foreign Adding to the impression that Office," an official said. By way of illustrating the intimacy the two governments enjoy, the aide said that among the

instant access buttons on the phone of the national security adviser, Samuel Berger, was one connected directly to Sir John Holmes, his counterpart at 10 Downing Street. "And it's used every day, "he added.



Probably the best beer in the world.

Above the Battlefield /'It's a Very Real Environment'

In the Quiet Skies Over Yugoslavia, Voices of the Pilots Tell It All

By John Tagliabue New York Times Service

AVIANO, Italy — The American pilots flying by the voice tone," he said. "It's a very real the attacks on Yugoslavia exchange few words, but probably no one reads their moods and fears more closely than a 32-year-old Air Force staff sergeant from Thorntown, Indiana.

For the past five nights, the sergeant, who will identify himself only as Dave, has hunched in what he calls "The Black Hole," the windowless bay of a Lockheed EC-130E command-and-control aircraft crammed with electronic equip-

Circling in the dark skies over Yugoslavia, he helps to herd, like a hen with her chicks, the NATO warplanes flying their sorties and links them by radio with NATO's ground command in Vicenza, Italy, an hour's drive south of Aviano. Poinfret, Connecticut, commands the 16 crew When trouble comes, the sergeant says, it rings members in the EC-130E's black hole.

first in the pace of the pilots' words and the timbre of their voices.

environment, and you can hear it."

Meeting reporters on the tarmac, he and fellow crew members talked of Serbian efforts to jam their equipment, of the adrenaline charge they experienced when Serbian weapons brought down an Air Force F-117A Stealth fighter on

Saturday and of the boost to morale when a joint effort retrieved the pilot unharmed hours later. NATO is fiercely shielding the identity of crews flying over Yugoslavia, to protect them in case of

capture, so no family names were disclosed.

The fact that they shot a 117 down shows they are not quitting," a major named Tim, 43, said of the Serbian defenders. The major, from about going "in country" or "downtown" when they swoop into heavily defended areas, and then usually they fall silent.

"Believe it or not," he said, "they don't talk very much. They could drive in, and all the way out, without saying a thing." He paused, and added, "And that's the preferred way,"

The plane is older than most crew members. who are mainly in their 20s and 30s. It was built in Marietta, Georgia, in 1962, and a plaque in the cockpit notes that it was one of two that flew into Iran in 1980 in a failed attempt to bring out the American hostages in Teheran.

It is one of three from the 42d Airborne Command and Control Squadron that have been deployed, with 100 fliers and ground crew members, to Aviano since 1995 from Davis Monthan
Air Force Base in Tucson, Arizona, to patrol the combat since the 1991 Gulf War, and for most crew bers, to Aviano since 1995 from Davis Monthan

The Whole of Kosovo Has Moved

Thousands of ethnic Albanians continue to flee

men, including three wearing ski masks,

They accused him of having previ-

Choose which one you want to kill

"I felt that it was finished for me,"

inclination was to say, "Do whatever you like." But he finally replied: "My

brother saw when you picked me on the

made Jura more cautious, and he demanded to know where Mr. Zhushi's brother had gone. "I said, 'He's gone."

And then I was released."

The prospect of a witness evidently

Afterward, he made his way to the

Yugoslav republic of Montenegro, joining more than 20,000 others who have

of his two brothers, two sisters, mother,

aunt, and his three sons aged 9, 6, and 5.

He hopes that they arrived safely in

Montenegro and that he can eventually

When seven heavily armed men for-

The fighter pilots, the major went on, talk about going "in country" or "downtown" when crew, it also served in Vietnam.

A staff sergeant from Heavener, Oklahoma, Connie, 27, one of two radio operators aboard the plane, was aloft on Saturday when the Stealth fighter went down.

When we heard him do a Mayday and he was going down," she recalled, tension tightening her voice, "we were all worried about him, and then we went into our job mode."

Crews fly 12-hour shifts, and she was still flying hours later when news came that the pilot had been snatched from Serbian territory, thanks in part to the EC-130E's communication links. "Our whole plane erupted," she said, now here, smiling broadly. "The excitement inside was

deafening. skies over Bosnia, and now for the attacks on members it is their first experience of real danger. side.

But a captain from Pennsylvania, Dave, who is the EC-130E's pilot, emphasized that there was "absolutely no complacency."
"Every threat is a danger," said the captain, a

pilot for five years, "and there is a high level of danger every night. Like they say, we're paid to go out. We're not paid to come back in. He added, in a slow, deliberate voice, "Of

course, everyone wants to come back.' While the Stealth pilot was on the ground, the captain, who was not in the air that night, remained "glued to the TV set." The quick rescue,

he said, was a "big morale booster. He and his crew talked of their pride in being

"I think it's a real honor," he said. He paused, reflected and added: "It's unfortunate that things like this happen. But we're happy to be able to do something about it. And we're happy to be on this

KOSOVO: Refugees Recount the Terror

Continued from Page 1

he was able to identify only five of the corpses, brothers also named Rexhepi: Shani, Naisim, Njazi, Dever and Teki. One of the bodies was that of a teenager,

Mr. Rexhepi and the boys returned to the hills. By Sunday, 5,000 people from Shaqiri, 37, a carpenter. He hid in his villages in the area had gathered there. house with his family, including his wife As Yugoslav forces surrounded them, and two children. They heard an explosion and gunfire, but assumed it was handkerchief and attached it to a stick. A man stood up and waved it.

The Serbs gathered the refugees, separating the men from the women. They were walked in two columns, the men holding their hands behind their heads, for eight kilometers (five miles), Mr. Rexhepi said. They were then loaded onto trucks and driven within three kilometers of the border, where they were ordered to walk the rest of the way.

The march was a trail of horror, he said. A 22-year-old, Ayim Ramdani, suspected of being a member of the Kosovo Liberation Army, which has fought a yearlong insurgency against Serbia, was pulled out and shot in front of his parents, Mr. Rexhepi said.

A deaf and mute man, Vefai Rexhemi, who did not understand when a Yugoslav soldier told him to give a three-finger Serbian salute, was taken from a column of refugees Sunday and shot in the head in front of his wife and two children.

Mr. Rexhepi said that others were struck with rifle butts, but that he was not shout "Long live Serbia" and give assaulted. He said that those were the three-finger salutes.



An ethnic Albanian boy crossing The Yugoslav border Tuesday into Albania, near the town of Kukes.

Zhushi from his family and pushed him of them dressed in black and wearing into a shop beneath the bridge that the large Orthodox Church crosses on gold

men who started in the long column were missing when they reached Albania. No one knows what became of them. As he spoke, other men from Celin

said: "That is what happened." It was also on Thursday morning that Serbian forces began to shell the village of Terna in central Kosovo, said Ramada

As the barrage eased, his wife ran next door, he said. When she entered the basement of the Gashi family compound, she found the first of 37 bodies. including the 67-year-old family pat-riarch, Myslym Gashi.

part of the general assault on the vil-

Mr. Shaqiri, who ran over to answer his wife's calls, said it appeared that Serbian forces had tossed a grenade into the midst of the cowering family and then opened up with automatic weapons. He said some bodies also bore knife marks on their faces, as if they had been

slashed posthumously.

"We saw the bodies with our own eyes," he said. "We have heard of many massacres. But we saw the Gashi family. They were massacred.'

Mr. Shaqiri said that he and his wife and children fled to the neighboring village of Leshan for shelter before they, too, were rounded up and brought to the elementary school. He confirmed that the crowd of refugees was forced to

only two killings he witnessed on the march to Albania, but he said that other arated from his wife and daughter. Mon-Kukes waiting for her with his two rogations. There, Jura and four other money. brothers and a sister-in-law. Their possessions had been reduced to a single bag kicked Mr. Zhushi on the legs and back compound in Pec with three sons, five of clothes and a plastic bag with some with heavy boots, he said. bread and Coca-Cola.

At noon on Saturday, Shaqir Zhushi stood in a long line with 11 relatives and thousands of other ethnic Albanians, ment security forces.

Jura looked straight at him and said, by Serbian groups on a bridge in the by Serbian troops on a bridge in the western Kosovo city of Pec. After a long you. night of shelling by government forces, all the residents had been ordered that morning to abandon their homes and

They stood two abreast in the line. As each person reached the checkpoint, Mr. Zhushi said, soldiers examined their documents and searched for money and The prospect of a witness evidently jewelry. In the background, scores of homes were already aflame.
As Mr. Zhushi, 39, neared the troops

milling around the checkpoint, a soldier caught his eye and told him to step out of the line. It was a man named Jura, a Serb who had worked with Mr. Zhushi for 17 years on the same assembly line at a fled there from Pec in the last few days. factory in Pec that made industrial batteries. They had gotten along well, Mr. Zhushi recalled.

He knew that Jura, like most Serbian men in Kosovo, had kept both a military uniform and a gun on hand. He had not seen Jura for the last eight months, when conflict between Serbs and ethnic Albanians had grown more violent.

anians had grown more violent. cibly entered the home of 73-year-old Jura and several others separated Mr. Haxhi Smajlaj at 3 P.M. on Saturday, all

Kosovo in one of the largest mass movements in Europe since World War IL X U G O S L A Y MACEDONIA SERBIA MACEDONIA:

wedding days.

Albanian.'

rifle butt, he said.

one of them said, they would be killed.

soon filled its narrow streets, he said.

complained to the troops, but they ordered him to shut up. "Why are you trying to help him?" they said. "He's an

The last to leave the yard was Mr.

go away, to leave" without him.

Orthodox Church, In 1389, a legendary defeat there started the Serbs' struggle to Ottoman Turkish rule. Éthnic Albanians are mainly Muslim. They hope for independence. In 1992, they

Serbs are primarily Orthodox

Kosovo as the heart of their

medieval empire and their

Christian. They revere

The Religious Background

set up a shadow government to resist the Serbs nonviolently. A rebel group, the Kosovo Liberation Army, rose from that failure.

The Ethnic	Mix
Population (mil	lion). Ethnic make up
Serbis 8	5 82% Serb 4% Hungarian 14% other
Montenegro 0	68 87% Monteriegrin 13% other:
Kasava 2	U 90% Albertan 10% Seat/ : Montenegrin
Macedonia .2	0 65% Mercedonian 22% Albankari 4% Tunksh 2% Serb, 7% other

Sources: NYT; CIA World Fact Book; United Nations High Commissioner

day night, he sat by the side of the road in military had commandeered for inter- chains, their first questions were about Monday, scanning the crowd, he said: "I am waiting for my 17-year-old son to

Mr. Smajlaj, a farmer who shared a come.' They crossed from Kosovo into daughters and three other relatives, said neighboring Macedonia squeezed into a he surrendered 200 Deutsche marks truck — 57 refugees in all, including 27 "One day we will go back to ously lived several kilometers south of Kosovo," he said. "That's our land."

Necessary in the said of the sai ar was a stronghold of the Kosovo the jewelry they had received on their of the relatives they left behind, they did not want their family name identified kans. After shooting at some of the walls, the beyond a single letter: the "B." family.

men left the house in the Dardanija neigh-On Thursday, Serbian troops entered borhood of Pec. But later in the after- Ferezaj and began to take up strategic noon, two others wearing dark-green positions, among them ethnic Albanicamouflage uniforms came to tell Mr. ans' houses on high ground. Then they Smajlaj and his family that they would sought out the largest and most opulent Mr. Zhushi recalled Monday. His first have to leave immediately. Otherwise, houses in the city to convert into barracks for small units.

Similar orders were given to thou-sands of others in the neighborhood, who Regular soldiers, paramilitary groups and civilians broke into grocery stores NATO officials said that the prime target and pharmacies, looted them and set them ablaze. Mr. Smajlaj and his family dutifully filed outside, and a neighbor, a Serb, noticed their distress. The neighbor

Meanwhile, columns of refugees from the countryside began to arrive, includations around the clock, with more assets ing relatives of the B. family. "Serbs entering the order of battle," Air Comcame into the villages and told us, "Leave or die. You called for NATO to NATO news conference. come. Let them save you," a family member said.

Neighbors began to arrive at their door as their homes were taken by troops. At night, explosions from NATO Smajlaj's 17-year-old son Rexhep, and one of the soldiers pulled him aside. Mr. bombing echoed in the town. The fam-Smajlaj attempted to intervene but he was struck on the back of the neck with a ilies, their numbers finally swelled to 57, cowered in the basement.

"They took him and put him behind the house," he said. "We were forced to "We had prepared," said the leader of the group, a young, burly man. "We had bread. That's all we are for three After arriving Sunday in a Montenegrin border town, Mr. Smajlaj sent his daughters on but stayed behind days. The electricity was out. We knew nothing about the outside world except for the bombs."

On Sunday, peering out an upstairs windows, they saw Serb soldiers seizing himself. Asked why he was walking up and down in front of the bus station a house down the street. It was time to run. Carrying only some clothes for the children, they climbed into a covered two-ton truck and drove away. No one at roadblocks stopped them.

"I only think they wanted us to leave, or it was God's help," the young man

Chahir Gahi's last meal in Elezhan, a province. village in southern Kosovo, was a plate of beans he was sharing last Friday with seven neighbors. It ended when the front door was beaten down with rifle butts. Serb soldiers held AK-47 rifles at the

necks of the diners. "They told us, "You want a Kosovo state, now see what you get," said Mr. Gahi, a lanky 55-yearold former cement factory worker.

leave shoes at the door. Mr. Gahi and his friends had no time to put theirs on.

We just got up and left." His brother, Cefet, was with him. He had been driven from another village; Serbian soldiers that before he was doing this with impointed guns at his belly and told him to go to Kacanik, but he refused, having NATO, Mr. Shea said, is doing its best heard that soldiers were occupying the town. The brothers' wives were already in Skopje, the capital of Macedonia.

They left two weeks ago." brother said. 'They said there would be trouble once NATO began to bomb, I ting what many legal experts consider thought it was silly. I didn't want to abandon the house."

The brothers are now living in a house an old neighborhood of winding alleys

Initially withheld from combat until in an old neighborhood of winding alleys president, Slobodan Milosevic, and his agenda of the Serb leadership, we are not and Turkish balconies in Skopje. Eleven

NATO: 'Potential Genocide'

Continued from Page 1

The air strikes have already destroyed half of Serbia's air-defense system in five days of raids, according to the French defense minister, Alain Richard.

Officially, the alliance's terms for cease-fire - that Mr. Milosevic end military operations in Kosovo, start withdrawing his forces and start political negotiations - remained unchanged.

But international outrage over Serbian attacks on civilians and accusations that Mr. Milosevic's actions were tantamount to war crimes could force Western governments to rethink their political objectives.

Robin Cook, the British foreign secretary, said that the hostilities could not end without guarantees for the return of refugees and displaced people — whose numbers reached 570,000 in the last year and were rising fast, according to NATO

Despite alarm around the world about the refugee flight from Kosovo, Western leaders did not offer any hint of readiness to send ground forces to Kosovo, even just to protect a "safe haven" for the ethnic Albanians.

Instead, officials said that they were sticking to the NATO war plan to smash Serbian military strength and ultimately sign a peace deal that would leave Mr. Milosevic in power and give the Kosovars self-rule, but not the independence from Serbia that they want.

Proposing a political escalation to end the fighting, a group of French defense specialists outside the government said that Mr. Milosevic might seek peace in Kosovo if Western governments threatened that they would recognize Kosovo s independence.

Until now, the international plan for Kosovo has rejected independence as spur Albanian nationalism in the Bal

The French strategists and Balkan experts said that NATO had too little time for an offensive to save the Kosovar civilians and that the existing peace proposals would become irrelevant as fighting continued.

Low-flying A-10 ground-attack planes were reported in action Tuesday against Serbian tanks and troops, and of the air war now was Serbian forces and paramilitary units.

And, he added, "the weather is set to

improve" - referring to the cloud cover and rain that have caused numerous NATO missions to turn back when pilots felt that they could not trust their hightechnology sensors to avoid causing damage and casualties among civilians. Despite poor weather Monday night.

warplanes attacked "numerous targets" in each of 10 areas, four of them in Kosovc, according to Commodore

He declined to provide details about damage beyond saying that the attacks were in keeping with the alliance's new objective - interdiction of the Serbian forces' ability to move on the ground.

In contrast with the limited military information, Mr. Shea, the NATO spokesman, painted a picture of dramatically worsening conditions in Kosovo, saying that Serbian forces were killing young males, busing women and children to the frontier and demolishing cities and towns in parts of the

After his reference to the "Great Terror," Mr. Shea said that Serbian units were forcibly emptying and then burning urban centers on a scale and with methodical horror that paralleled the forced evacuation of Phnom Penh, the capital of Cambodia, by Khmer Rouge guerrillas in the 1970s.

Mr. Shea said that President Milo-In Kosovo homes, it is the custom to sevic had a master plan for Kosovo that was already being put into effect before NATO planes dropped their first bombs 'I didn't even think about the shoes. on March 24, and, he said, would have proceeded even if the alliance had not acted. The difference, Mr. Shea said, "is

> to get relief supplies into countries around Kosovo, "Mr. Milosevic must not be allowed to invade these countries with refugees," he stressed.

> Reinforced more specialized air power is being moved into the area. including B-1 strategic bombers, which carry cluster bombs designed to destroy

> Serbian air defenses were reduced, the A-10 aircraft, nicknamed "Warthog" in Vietnam because of its rugged look and

CLARK: Wider Range of Targets Sought

Continued from Page 1

acknowledge strong differences of opin-ion about taking the bombing campaign to a new and more dangerous level.

General Clark has sought permission over the last two days to launch cruise missile strikes against the Interior Ministry and police headquarters in Belgrade, where Serbian military operations in Kosovo are being orchestrated. But his request was turned down be-

graties in the urban area where the Serdan police and military brain trust has its offices, NATO sources said.

backed General Clark's request to escalate the bombing campaign, even if it dropped their ordnance. entails greater risks.

The North Atlantic Council, which alliance's 19 member states, was meeting in emergency session Tuesday night. it was making another attempt to reach a consensus on granting permission to move to a "phase 3" level of air operations that would allow attacks against.

The frustrations have prothe widest possible range of targets.

1B hombers, five EA-6B Prowler aircraft designed to confuse enemy radar nications lines and military infrastrucsterm, and about 10 refueling tankers ture across the entire country, including downtown Belgrade.

margin of safety," said one of them.
"We are really going to be pushing the envelope." Despite an impressive armada of

damage and civilian casualties.

As a result, senior alliance diplomats The United States and Britain have said, many planes sent on bombing runs were returning to base without having

They estimated that as many as half of

The frustrations have provoked tensions between the United States and The United States has responded to General Clark's pleas by sending five B-General Clark's pleas by sending five B-General Clark's pleas by sending five B-General Clark a mandate to attack and, ultimately,

cope with the changing nature of the bombing campaign, which will be rap-idly accelerated to a degree that makes some of them uncomfortable. "Some of us would prefer a larger

nearly 400 warplanes and an untold number of Tomahawk cruise missiles. NATO's air operations in the first seven cause several European governments days have been hampered by bad weathwere troubled by potential civilian cas- er and strict instructions that require pilots to avoid undue risks of collateral

all air combat sorties have not been able brings together ambassadors from the to attack their assigned targets, largely because of unacceptable risks posed by foul weather, the proximity of civilian sites and dispersed anti-aircraft missiles that still make Yugoslavia's air defense

extra Tornado bombers and four more Harrier jump jets that are effective in providing close air support.

NATO military planners said that the extra attack planes were necessary to extra attack plane to the serb operations, a se
Senior NATO diplomats said that the tough performance, is escorted into tough performance, is escorted into and put up with a lot more planes, a lot more planes,

General Jean-Pierre Kelche, the French chief of staff, speaking Tuesday, said more than 40 French planes were taking part in the operations against Yugoslavia. An opinion poll in L'Express said more than half the French people would support the use of ground units if the war spread.

to change some rules of its own." paign, General Clark warned that allied air strikes would "degrade, devastate" "destroy" Yugoslav armed forces.

operations in the middle of a bombing On the first day of the bombing carn- campaign against an adversary that has shown no compunction about committhe war crimes in the forced expulsion of the Kosovo population.

"As far as having an impact on the He also emphasized that the Yugoslav wintown Belgrade.
"We have all been taken aback by the sanctuary" from NATO bombing raids.
"The sanctuary of the Serb operations," a semior NATO diplomats said that under the sanctuary and the sanctuary of the sanctuary."

"We have all been taken aback by the sanctuary from NATO diplomats said that need a lot more planes, a lot more p

EDITORIALS/OPINION

Herald Cribune Bomb the Serbs, Arm the KLA, Proscribe Milosevic

Terror in Kosovo

NATO aerial attack with a vicious campaign of terror against the ethnic Albanians of Kosovo, creating a military and refugee crisis of major proportions. The United States and its European allies must respond with alacrity on both fronts, while giving Prime Minister Yevgeni Primakov of Russia a chance to seek a diplomatic settlement. Since the end of the Cold War, NATO has not faced a greater test of its unity or ability to react effectively to a rapidly developing threat to

European stability. Mr. Milosevic's butchery in Kosovo was not caused by the bombing. It began long before the air attacks commenced. It now calls for a sharp escalation in NATO bombing, a step that the alliance started to take on Monday as it turned its guns against Serbian army units in Kosovo.

Although air defense systems, airfields and other military targets in northern and central Serbia must not be neglected, the alliance should concentrale its attacks against Serbian forces that are killing ethnic Albanians and burning their villages as they sweep across Kosovo. If that requires further reinforcement of NATO squadrons with additional U.S. warplanes and helicopters. President Bill Clinton should not hesitate to do so quickly.

Intensified air strikes may not bring the carnage to a halt, but they can slow the Serbian offensive by disrupting supply lines, knocking tanks and artillery out of service and scattering infantry units. Any effort at this point to send arms to ethnic Albanian guerrillas, an idea gaining support in the U.S. Congress, would be unwise.

Slobodan Milosevic has answered These forces lack the training to deal with the Serbian army, and it would

take weeks to get the arms to them.

Pressure is building in Washington to dispatch NATO ground troops to Kosovo, including Americans. Mr. Clinton should resist this option. The NATO air campaign must be given time to work before other tactics are considered. Assembling a ground force large enough to seize control of Kosovo --- as many as 200,000 troops might be required - would take several weeks or more, making the option unsuitable for the immediate crisis.

Much can be done to help care for the tens of thousands of refugees pouring across Kosovo's borders into Albania Macedonia and Montenegro. Washington has pledged an initial \$8.5 million to international agencies work-ing in the region, and on Monday it was scrambling to make additional resources available. Money, food and medicine are desperately needed. NATO military forces may be needed in Albania to build temporary shelters and to provide food and clothing.

Mr. Primakov's mission to Belgrade

may yield nothing, but he should be given a chance to see if Mr. Milosevic is prepared to accept a diplomatic solution. No bombing pause outside Belgrade was necessary during the Russian leader's presence there, but NATO forces needed to hold their fire over the Serbian capital itself while Mr. Primakov was visiting. NATO must either bend Mr. Milosevic to accept the international peace agreement or destroy his capacity to terrorize the people of Kosovo, kill their leaders and drive them from their land.

-THE NEW YORK TIMES.

An Exuberant Market

It was only last fall that stock markets in the United States and most other countries were reeling in fear of a possible worldwide recession. That it failed to appear is readily apparent from the fact that the Dow Jones industrial average closed above 10.000 on Monday for the first time -- an increase of more than 30 percent in less than seven months.

The Asian crisis that sparked the worries is far from over, and the best thing that can be said about Russia. whose default on its debt precipitated the market plunge, is that the country has not descended into anarchy. Latin American economies remain troubled. with Brazil in a severe recession. Nonetheless, the developed world is optimistic. The British stock market also hit a record high this month, and most European markets have moved up as well, although not to new highs. Even long-suffering Japan seems to be reviving. One reason is that central

banks in all major economies lowered interest rates, spurring economic growth and providing liquidity for stock market speculation.

Contrary to the expectations of most economists, the American economy did not even pause while much of the world was suffering. Instead, consumers benefited from lower prices for commodities and imported goods, and their willingness to spend rather than save more than offset weakness in the manufacturing sector.

There are ample signs of speculative excess in the stock market, most notably in Internet stocks. Corporate profits have not risen nearly as rapidly as stock prices, a fact that is likely to be important when economic growth starts to slow. But for now, America is in love with the market and happy to see rising stock prices as an endorsement of its supremacy in the world

- THE NEW YORK TIMES.

Doctor and Killer

charge him with murder when he videotaped himself administering a lethal injection to a man he had only iust met, and then arranged for the tape to be shown on national television. Dr. Kevorkian had, perhaps, good reason to regard himself as legally untouchable, having been acquitted in the past of multiple charges of assisted suicide. But this time it seems he had gone too far. A jury in Michigan has convicted him of second-degree murder. His horrible career may finally be over.

The facts of the case were never in dispute. Last September Dr. Kevorkian administered a lethal dose of drugs to Thomas Youk who had Lou Gehrig's disease. In past cases, Dr. Kevorkian had been accused merely of arranging for those who wished to die to take their own lives. This time his role was far more active. To put it

simply, he killed Mr. Youk. The issue of doctor-assisted suicide is, in general, a very difficult one of enormous moral complexity. The issue of Dr. Kevorkian in particular is not particularly complicated. This is a man who has aided in the deaths of many people whom he did not know and had not previously treated and whose mental competency to decide to die he was in no position to assess. Whatever one thinks of assisted suicide, there is something demonic about a free-lance death peddler who seems, as Dr. Kevorkian has over the years, to be so energized by such morbid work. That juries kept acquitting him and that he acquired a

Jack Kevorkian dared prosecutors to kind of popular following should not obscure the fact that his crusade, despite his medical degree, had nothing to do with the practice of medicine. Particularly not when it led him actually to

inflict Mr. Youk's death. However disturbing Dr. Kevorkian's previous efforts have been, his killing of Mr. Youk crossed a line. This was the crudest kind of euthanasia, and to have treated it as less than wholly criminal would have been to sign off on the least accountable type of mercy killing." Fortunately, a jury has finally drawn a line.

- THE WASHINGTON POST.

Other Comment Plan Now for Deployment

The stark choice now facing NATO leaders is whether to deploy their own ground troops in Kosovo before much of the province becomes the scorched earth familiar from an earlier campaign of ethnic cleansing in Bosnia. This eventuality has so far been categorically' ruled out by the alliance, which means that it has no answer to the question of what happens if bombing alone does not achieve the desired effect. If, after attacking a sovereign state for the first time in its history, NATO fails to get Slobodan Milosevic off the Kosovars' back, it will suffer a devastating blow to its prestige. Its planners should be drawing up options for the deployment of ground troops in Kosovo. - The Daily Telegraph (London).

Herald Eribune

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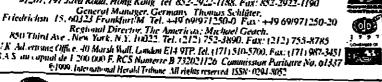
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WASHINGTON - NATO is at present engaged in primarily a strategic bombing campaign against Serbian command centers and air defenses. The problem with such a campaign is that it gives the Serbs time to engage in mini-genocide and in mass ethnic cleansing in Kosovo.

Moreover, a strategic air campaign mobilizes not only Serbian but international public opinion against a perceived attack on civilians. And it conditions the Serbs to dig in their heels and wait for a break in Western resolve.

To overcome this condition, three major steps are necessary, each entailing risks but each contributing to a higher probability of eventual success.

The first step involves an immediate shift to a combined strategic as well as tactical air campaign. Presumably this is happening already, but the point is that the tactical air campaign has to be extensive, intensive and persistent. Its object has to be the infliction of maximum casualties on Serbian military formations, and especially on heavy tank and artillery concentrations.

To the extent that Serbian forces are deprived of such assets, the remaining Serbian units will gradually lose their mobility, and their firepower will be drastically decreased. The asymmetry be-

By Zbigniew Brzezinski

tween them and the Kosovo Liberation Army will thus be significantly reduced. A tactical air campaign cannot be con-

ducted without some loss of aircraft. Here, too, an adjustment in the prevailing Western outlook is needed. One cannot expect to wage war without suffering casualties. The more intensive the tactical air campaign and the earlier it comes, the higher will be the allied losses.

Yet not to undertake such a campaign means a much more massive number of Albanians killed by the Serbs and a higher level of Serbian confidence that Serbian forces on the ground will be able to achieve Slobodan Milosevic's fundamental political objective: the "cleansing" of Kosovo of its Albanian population. The trade-off, however painful for the West, is thus clearly in

favor of undertaking the tactical air campaign at the earliest possible moment, and doing it to the maximum tactical military benefit possible.

The second major step that is necessary is to deprive the Serbs of any illusion that they may be able to retain Kosovo by force of arms, even while absorbing Western air bombardment. That means, in the first instance, a de-

and morally justifiable, for the Albanians in Kosovo are currently facing the

The KLA is not a force capable of matching the Serbs on the ground, and it is currently woefully underarmed, particularly in anti-tank weaponry. Antitank weapons presumably could be airdropped to some KLA units. A prompt injection of Western arms would boost Albanian morale and send an unmistakable signal to Belgrade that there is no prospect of a Serbian victory on the

ground, either politically or militarily.

Should the efforts to arm the KLA and to engage in sustained tactical air attacks prove inadequate, at some point Western public opinion may reach the conclusion that NATO ground forces have to be injected. A decision to that effect can be made only with strong public support, but the political case for such intervention should begin to be made now, especially in view of the

atrocities being committed.

The third needed step is to face the fact that Milosevic's dictatorship has now forfeited any moral or political right to continued sovereignty over Kosovo. The original proposed "compromise" formula involved retention of nominal Ser-

liberate decision by the West to arm the KLA. Such a decision is both politically baric conduct of Mr. Milosevic's military and police has terminated such rights. It is therefore timely for NATO to

make clear that the alliance will not prospect of social extinction. consider any solution that entails the retention of Mr. Milosevic's authority over Kosovo. The purpose of the continuing military operation now has to be political self-determination for the Kosovars, and only a democratic government in Belgrade can be a party to any transitional arrangements that might involve less than that. Whether one likes it or not, the events

of the past week have transformed both the military and the political dimensions of the Kosovo problem. A failure to prevail would precipitate a fundamental crisis of unity within NATO and a more anarchic global state of affairs. That fact should be faced squarely.

Whatever one may think of Western diplomacy and of U.S. leadership during the past few months, the issue now has been joined. If the words "never again" are to have any meaning, a civilized Euro-Atlantic community cannot tolerate genocidal barbarity in its own midst.

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The writer was national security adviser to President Jimmy Carter. He contributed this to The Washington Post.

Primakov Should Work to Halt Serbian Crimes in Kosovo

WASHINGTON — Prime Minister Yevgeni Primakov of Russia was in Belgrade on Tuesday with the stated purpose of stopping NATO air strikes against Yugoslavia and laying the groundwork for a peaceful set-

tlement of the crisis. As Secretary of State Madeleine Albright stressed to Foreign Minister Igor Ivanov when they talked by telephone on Monday, the precondition for a return to diplomacy is an end to the frenzied slaughter that Serbian soldiers, police officers and paramilitary gangs are carrying out against ethnic Albanians in Kosovo. If that is Mr. Primakov's message to President Slobodan Milosevic of Yugoslavia, the mission may help. If not, it won't.

As befits a democracy, Russia's foreign policy reflects attitudes on its home front Russian public and parliamentary opinion across a broad specBy Strobe Talbott

trum has been greatly riled by of bloodshed and repression NATO's action. A number of like the one in Chechnya have democratic reformers, including three who plan to visit Washington later this week, have criticized the alliance for fueling the flames of Russian ultranationalism.

Because NATO was founded 50 years ago to deter the Soviet Union, many Russians react viscerally to its continuing existence, its enlargement and, now, its resort to force against another country with strong historical, ethnic and religious ties to Russia. However, there would be

something perverse about Russia's appearing to side with the Belgrade regime in the current conflict. During the past de-cade, Russia and Serbia have been diametrically opposed in handling their post-Communist transitions. Since the Soviet Union dissolved, eruptions 11 time zones of the old Soviet macy while Belgrade brutalized

like the one in Chechnya have been exceptions to the rule. By and large, the emergence of 15 new independent states has been remarkably peaceful, and many of those states, notably including Russia itself. have moved quickly to join the democratic community.

The breakup of Yugoslavia has been an ongoing horror replete with war, irredentism, mass graves, charred villages, concentration camps and waves of refugees. It is worth pondering how much better off Europe would be today if Serbia had followed the example of Russia. Ukraine and the oth-

er former Soviet republics. It is not hard to imagine how much worse off the whole world would be if anything like the meltdown of the old Yugoslavia had occurred across the Union, with 30,000 nuclear weapons in the mix.

The United States and Rus-

sia have had their disagreements, but they have accomplished a great deal together on the basis of mutual interest, including in the Balkans. Their troops are still serving together in Bosnia. Along with Britain, Italy, France and Germany, the United States and Russia hammered out a deal that the Kosovo Albanians, at least,

have accepted. In his rejection of international efforts to end the crisis peacefully, Mr. Milosevic has violated an agreement with President Boris Yeltsin and has repeatedly defied appeals from the very men --- Mr. Primakov

and Mr. Ivanov — whom he planned to receive this week. For more than a year, diplomats from the United States, Russia and other countries conducted patient, peaceful diplo-

Kosovo not be independent..

dependence, because it would

cause it would send an un-

realistic message to Basques,

Kurds and other aggrieved eth-

nic groups that America will

support their independence.

and because Albania is already

and radicalized — Kosovo. It was only when that diplomacy hit a brick wall that NATO decided that it had to act. especially since Mr. Milosevic was clearly using the talks as a cover for village-by-village devastation of Kosovo.

The escalation of the atrocities since then has crystallized the challenge: This is barbarism in our own time, in the heart of Europe, on the eve of

the 21st century.
It is hard to believe that Russians of any stripe would want to defend, or identify themselves with, an abomination against the most elemental standards of decency and a repudiation of much that the Russian people themselves have achieved since they put Soviet communism behind them.

The writer is the U.S. deputy secretary of state. He contributed this comment to The New

Washington Needs to Find a Better Solution for Kosovo

TOKYO - NATO has made L its point that it is serious made his point that you can pound, kill and curse the Serbs. but you cannot make peace in the Balkans without them. Now it is time to get back to the negotiating table before this

situation spins out of control. I believe there is still a basis for a deal, but the Clinton team has to be much clearer about U.S. interests in Kosovo. This administration has given a dozen explanations for involvement.

I applaud its basic instinct to do something to prevent the

opposite effects.

political solution.

By Thomas L. Friedman about degrading the Yugoslav slaughter of civilians. As a Euro- and its implicit commitment to

army. And President Slobodan pean power, the United States Kosovo independence. Milosevic of Yugoslavia has could not and should not be But this administration committed America to a bad peace plan at Rambouillet. The sooner the plan is adjusted the better.

The take-it-or-leave-it deal that the Serbs were offered calls for autonomy for the Kosovar Albanians for three years, protected by NATO forces, and then final status negotiations, between Serbs and Kosovo Albanians, on the ultimate fate of Kosovo. The Serbs rejected both the deal's NATO peacekeepers

The only reason the Kosovo Albanians accepted was because they viewed Rambouillet be an endless commitment, beas independence on a three-year installment plan, protected by NATO and guaranteed by the

United States with a wink. The United States has neither a moral nor a strategic interest in the independence of Kosovo. The moral interest in Kosovo is to prevent the murder of innocent civilians, which can be done in the context of protected autonomy for Kosovo's majority Albanian population, And

crowded areas. With allied sup-

port the KLA could grow into a

bigger force, drawing in enthu-

siastic volunteers from Albani-

an communities in neighboring

countries. The result would be a

Balkan war similar to those at

the beginning of the century.

The original strategy was gradually to tighten the screw by

increasing the pain of bombing attacks until Mr. Milosevic yiel-ded and came to Rambouillet to

sign a peace deal. But he has the

army, the security services and

most of the media firmly in

hand. His government covers a

a failed state. It does not need a twin in Kosovo. Secretary of State Madeleine Albright never should have supported a peace plan that committed America to anything other than protected autonomy for Kosovo - period, full stop, no further negotiations, unless the parties themselves agree on par-tition. And if the Kosovars Stop the Bombing and Negotiate Peace would not have accepted such a plan, then they should have been

heavy on both sides. In present circumstances, this solution is told they were on their own. not a practical possibility.
NATO could use proxy So now what? The Clinton team is going to have to eat some ground forces by helping to arm, equip and train the KLA, crow - and eventually they will. They need to put the United and supporting it from the air.
At present, the KLA consists of States behind a new peace plan that is consistent with U.S. morsmall groups of fighters varial and strategic interests, and ously armed and motivated who which a decent Serbian leader can lay ambushes, kidnap or - and maybe even the war murder, or throw bombs into criminal Slobodan Milosevic --

will be tempted to accept. Such a plan would make clear that the only final status Washington will ever support for Kosovo is autonomy. The actual autonomy framework should be based on the generous cultural and political autonomy accorded the Kosovars

the U.S. strategic interest is that in the 1974 Yugoslav constitution - not some foreign-The United States does not imposed plan. But to guarantee want to be formally or im- that autonomy for Kosovars. plicitly obligated to Kosovo in- the Serbs will have to permit the return of all the refugees, and the entry of a foreign observer force, plus peacekeepers.

If the Serbs will not accept NATO peacekeepers, NATO should think about using troops from the Parmership for Peace, a junior NATO made up of East European countries that aspire to be NATO members, as well as Russia. Having PFP forces on the ground, directed and sup-ported by NATO, could protect the Kosovars, and having Russians among them could reassure the Serbs

I am all for U.S. activism, but there are big, important places and there are small, less important ones. The trick is understanding the difference between the two and finding ways to advance America's moral and strategic interests on the small issues, such as Kosovo, without committing America in an all-consuming way as if it were a big issue.

I am glad that we are pun ishing the Serbs now for their ethnic cleansing, which is bar-baric. But punishment is not a policy. Wars are fought for political ends. The Clintonites should rethink their objectives in Kosovo now, and put on the table a plan that is good for the average Kosovar, is acceptable for any decent Serb, and makes sense for America.

The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1899: Pushkin Show PARIS - According to a state-

ment in the "Novoe Vremya," the Emperor Nicholas IL has ordered the Treasury to devote 1.000 roubles to the establishment of an exhibition at the Academy of Sciences containing mementoes of the poet Pushkin, his manuscripts, editions of his works, etc. Another 1,000 roubles is to be paid to Mr. A.K. Glazimoff, the composer, who has set to music a cantata in Pushkin's honor, and 1,000 roubles for the cost of publishing the same.

1924: First Berries

PARIS - The first strawberries have arrived in the Paris markets. The thrifty housewife, when she goes to market these days, can have her choice of succulent and perfumed Rosnys at from 14fr. to 25fr. for a plate of 8 to 15 berries. There was talk that the

Prefect of Police would send extra squads of policemen to keep back the tremendous crowds the are expected to storm the markets to get the berries at these attractive prices.

1949: German Crisis BONN, Germany — One of

West Germany's strongest political parties launched a lastminute drive to break the deadlock threatening the new West German constitution. The Christian Democratic Union appealed to the Social Democrats to compromise. Unless the Germans agree soon on a constitution acceptable to the Western Allied occupying powers, the planned creation of a West German state may founder. The America British and French Military Governors rejected the constitution drafted by the German parliamentary council until it is changed to weaken the powers of the central government.

operation, and the smell of violence is in the air. The large
ethnic Albanian elements in
fighing force on the order of
NATO save its credibility. some of them are at risk and are 200,000 personnel and corresradicalized. As the bombing ponding equipment Yugoslav continues, small protests could air defenses may be degraded by erupt into explosions, and gov-eruments might fall. The NATO fight and casualties would be ternational Herald Tribune.

to stop the humanitarian crisis vent instability from spreading in Europe. Its action has had the More telling is the break with Russia. The valuable NATO-

If bloodshed is to cease, civilized behavior to be re-estab- has collapsed. lished and NATO to survive as a

and again that all options were and destroy them. To do so, open. That was heard by the land forces would be needed. sides in conflict. It was believed by one and dismissed by the NATO Secretary-General Javiother, but both based their er Solana have so far excluded policies on it. Radical elements this possibility, with reason. of the Kosovo Liberation Army stepped up their attacks so as to resistance in allied countries, a NATO intervention. Mr. Mi-

attacks followed. murder squads to decapitate the make important contributions. leadership and begin a mass but their governments could not ejection of ethnic Albanians overcome political objections. from certain areas in the province. Refugees are pouring into 90,000 men under arms, twoneighboring countries, which thirds of them professional solare crying out for help. The hu-diers; 400,000 reservists are lihumanitarian catastrophe.

Brussels — NATO's de-clared purpose in Kosovo is

By Frederick Bonnart

from developing into a human-itarian catastrophe, and to pre-stability in the region.

Russian relationship built up with extreme care by both sides NATO is now changing its credible organization, it must tactics and starting attacks on break out of this chain of events. field forces. Attacks from the It has two choices: begin a total air can disrupt and degrade war against Serbia, or find a new these forces, but they cannot

alone make good General Wes-NATO leaders repeated time ley Clark's promise to devastate President Bill Clinton and Quite apart from the public

provoke the massive reactions the required forces are not readthat they believed would trigger ily available. Of NATO's Europeans, only Britain, France. losevic continued his action to Turkey and possibly new memisolate the Kosovar rebels, and ber Poland would have signifbided his time. NATO then had icant numbers available and the to make good, and the bomb will to use them. Of the remainttacks followed. ing bigger member countries, Next. Mr. Milosevic sent his only Germany and Italy could

The Yugoslav army has some manitarian crisis is turning into a able for call-up. It has more than a thousand tanks and equivalent Security guarantees were giv- associated equipment. The air en to neighboring countries, but force has 238 combat aircraft parties inside them are taking and 52 armed helicopters. Persides for and against the NATO sonnel are well trained and

spectrum of political parties. The population feels outraged at the demands and actions by the West in what it regards as a Serbian province in which it is facing a terrorist-led revolt. It is clear that this strategy is

> A new political solution must therefore be sought. One would be to divide Kosovo, giving the Albanian community an independent homeland in the south and leaving a northern slice inside Serbia. NATO could reestablish the relationship with Russia by involving its govern-

ment in such negotiations.

The writer, a veteran com: mentator on NATO affairs, contributed this article to the In-

المدكرة است الأعل

The Prospects for Recovery in Asia

By Francis Colaço, Dominique Dwor-Frécaut and Mary Hallward-Driemeier

PANGKOK — East Asian To cope with this reversal, governments had to undertake economic stabilization programs and correcovery from the regional financial crisis, according to a new survey supported by the World Bank of 4.000 companies.

The survey also demonstrates that the pace of recovery varies strongly from country to country, and from sector to sector of each economy.

Little comprehensive information on the corporate sector was available before the crisis in what had been the world's fastest growing

the real state of Asian companies. governments and markets were working on the assumption that high growth would continue indefinitely.

Yet the survey results show that many East Asian firms had falling profits and idle production lines even before the crisis started in Thailand in July 1997.

Anxious investors could only guess at the real extent of corporate problems as the contagion unfolded. A shift in market sentiment, rather than hard economic evidence. played a big role in a reversal of capital flows equivalent to 10 percent of the combined gross domestic product of Indonesia, South Korea, Malaysia, the Philippines and Thai-

porate restructuring without a sound understanding of what was really happening to businesses.

To fill this information gap, the governments of Indonesia. South Korea, Malaysia, the Philippines. and Thailand, with advice and technical assistance from the World Bank, undertook surveys of about 4.000 firms in these countries in the most important sectors for produc-Without a good understanding of electronics, auto parts, chemicals and machinery.

The surveys provide information on the impact of the crisis, the efficacy of government programs and the prospects for corporate recovery as seen by companies, together with information on companies' balance sheets, corporate governance, research and development, training, and business environment.

The surveys were completed only recently and will be the subject of a roundtable regional consultation in Bangkok organized by the World

The results of the surveys indicate that countries and sectors have been affected by the crisis in sometimes sharply different ways. For equacy ratios have reduced the credit

existing factories was twice as severe in Indonesia as in the Philippines, and twice as high in the auto

parts sector as in food processing.

Despite such variations, the data demonstrate that manufacturers in the five East Asian countries share one main concern: the collapse of domestic demand for their

This has obviously played a big role in the decline of companies oriented toward the domestic market. But it has also hit exporters, since about half of their products have been sold in regional markets.

Moreover, exporters report that, tion and exports, including textiles—at the same time as their markets and garments, food processing, were shrinking, they were hit by a were shrinking, they were hit by a decline in the competitiveness of their products.

These results show that an expansion of demand may not be enough to revive the corporate sector, and that corporate restructuring to enhance competitiveness is also

The survey provides direct evidence of the extent of credit constraints in the five countries.

Overall, companies are complaining more about the high cost of loans than about credit availability, even though interest rates have returned to pre-crisis levels. While economic stabilization pro-

and hence likely to remain unem-ployed longer, have been retrenched. The surveys show how social safety nets should be targeted. What are the prospects for corporate recovery in 1999? A third of grams and the attempt by banks to maintain liquidity and capital adthe surveyed companies expected example, a decline in the use of available, the World Bank survey that they would increase production the International Herald Tribune.

workers with more dependents, who

are difficult to retrain and re-employ

impact of the crisis.

over the next six months, against 40 suggests that the decline in demand for products has produced an even percent of companies that anticipatbigger decline in the demand for ed a further decline. credit by companies.

The survey shows that recovery is uneven among sectors and coun-The new data also indicate that tries. South Korean and Malaysian layoffs have not been commensurate with the decline in output, and companies were least pessimistic, that this has helped reduce the social while Philippine and Indonesian firms had more negative expecta-Layoffs have generally affected younger workers. However, in some tions. Exporters are more optimistic than non-exporters, with South cases such as South Korea, older Korean exporters the most bullish..

> Mr. Colaço is president of Asia-Pacific Management Consultants. Ms. Dwor-Frecaut and Ms. Hall-ward-Driemeier are World Bank economists and the organizers of a conference on the survey's findings in Bangkok from March 31 to April 2. They contributed this comment to

> > whether Israeli expansion of

West Bank or Palestinian of-

ficials' use of inflammatory

fail unless the demands that

Mr. Arafat are leavened with

I cannot forgive my old en-

emy for endorsing the murder

of my countrymen decades

ago, but it would also be un-

forgivable to deny him, and

the Israelis, the chance to end

The writer, a Tel Aviv-

the bloodshed.

some diplomatic rewards.

American mediation will

rhetoric against Israel.

In New York, Protests Driven by Conscience

By John Lewis

have been arrested for protesting police brutality in the case of Amadou Diallo, the unarmed immigrant who was

MEANWHILE

killed outside his apartment in the Bronx a few weeks ago. Some critics, including Mayor Rudolph Giuliani, have ridiculed the demonstrations at New York's police headquarters as a publicity stunt. Hearing this brings to mind

the white politicians who stood in our way in the 1960s. when the civil rights movement used sit-ins. freedom. rides, mass meetings and marches as a form of protest in the South. At the time our tactics were questioned, too. But we knew we had to dramatize our opposition to segregation - there was no other way to mobilize wide-scale support for our cause.

Back then, we knew the risks were great. On March 7. 1965, some of us tried to cross the Edmund Pentis Bridge in a march from Selma to Montgomery, Alabama. "Bloody Sunday," as it came to be called, moved President Lyndon Johnson to introduce the Voting Rights Act of 1965.

We have come a long way since then. The protesters in New York do not face bullwhips, bombs, tear gas, vicious attack dogs, fire hoses and mass arrests. But that does not lessen the importance of what they are doing. They are also standing up to injustice the United States makes of and saying, "No more." This dramatic demonstration of nonviolent action may mark the emergence of a broad new

coalition of conscience. Some critics have been focusing on the celebrities who have joined in, as if their presence diminished the demonstrations. But we should not overlook the array of participants: religious leaders, union workers and political and labor leaders. All have been willing to break the law to prove a symbolic point.

WASHINGTON — More than a thousand people past weekend. Police Compast weekend. missioner Howard Safir said there would be an overhaul of the Street Crimes Unit. Mr. Giuliani has met with black leaders and admits he should have done so earlier.

There is no reason to think that these changes would have happened without the protests. The history of civil rights has always had much to do with timing and, especially, symbolism. When it comes to effecting social change, one could say that substance fol-

lows symbolic action. In 1993, when Governor Zell Miller of Georgia and others proposed changing the state flag because it bore the bars of the old Confederacy. he drew on the power of symbolism to make a point about how far the South had come since the days of slavery and Jim Crow. Changing the flag was not going to feed the hungry or improve the state's schools, but the importance of the symbol was not lost on Georgia's blacks.

Likewise, when John Kennedy ran for president in 1960. he earned credibility on civil rights issues when he called Martin Luther King Jr.'s wife. Coretta, to voice concern about the well-being of Mr. King, who was sitting in an Atlanta jail. Because of moments like these we cannot underestimate the role symbolism plays in politics, especially when the public needs a sign from its leaders that its concerns are being heard. These are lessons that Mr. Gi-

uliani would do well to learn. "True peace is not merely the absence of tension and conflict, it is the presence of justice." Mr. King wrote as he sat in a Birmingham jail cell. The recent demonstrations have reminded us of the truth of those words. It is the protesters' conscience, not the desire for publicity, that called them to act.

The writer, a Democratic representative from Georgia, was a leader in the American The larger community is civil-rights movement. He paying attention. And New contributed this comment to York's leaders are finally tak- The New York Times.

A Palestinian State Is the Only Way Forward for Peace in the Middle East

TEL AVIV — in the 1970s, when I was a semor operative in the Mossad. Israel's foreign intelligence service. Yasser Arafat was my blood enemy.

My colleagues and I hounded him and his terrorist Palestine Liberation Organization henchmen, trying to stop them from murdering innocent Jews and certain that his his people to a negotiated raeli and American leaders main an evenhanded mediatdemise would be a great vic-· tory for Israel.

ton in Washington, I find my- mass terror are far more hor- ians themselves. self hoping that the United rifying than anything I con-States will help my former foe. fronted 25 years ago. protecting Israel's security by Mr. Clinton was right to assisting him in achieving Pal-warn Mr. Arafat, as he reestinian self-determination, as portedly did last week, about long as he does so peacefully—the dangers of making good on

By David Kimche

Mr. Arafat is still hardly my idea of a perfect neighbor. But he is the only Palestinian leadpower and domestic support.

United States ensure that he progressing toward some remains strong enough to lead form of independence, and Ispeace, he is likely to be se- need to help him to do this. riously undermined by Islam-

However, if Mr. Arafat continues to put statehood on hold, he will be viewed by his er capable of making conces- people as buckling under pressions to Israel while retaining sure and abandoning his stated mitted that Palestinian indeower and domestic support. goal. He needs to reassure the pendence is a foregone con-Unless Israel and the Palestinians that they are still clusion, and polls show that

Now, in the wake of last ic fundamentalists who favor know that a Palestinian state tinian position on statehood week's meeting between Mr. armed struggle over negoti- of some sort is now inevit-Amfat and President Bill Clin- ations, and whose methods of able, except for the Palestin- last week when it passed a The Israeli newspaper

Maariv reported this month that Prime Minister Benjamin Netanyahu of Israel and his and within the framework of his threat to declare a Palesnegotiations with Israel. his threat to declare a Palesnegotiations with Israel.

bargaining chip.

Netanyahu's hard-line foreign minister, has publicly adclusion, and polls show that most Israelis understand this.

The United States must reeed to help him to do this.

Nearly everyone seems to cannot tilt toward the Pales-— as the European Union did resolution recognizing Palestinians' "unqualified right" to their own state.

However. I hope Mr. Clinton will assure the Palestinians aides now privately confirm that if — and only if — both "that there is no way of avert- parties agree in the course of

that Israel's consent to such a States will fully back this solustate "ought to be used as a tion. That statement would Jewish settlements on the dramatically bolster the forces Even Ariel Sharon, Mr. of moderation and compromise among Arabs in the West Bank and Gaza Strip.

The United States should also allay Palestinian fears that final-status talks will be

allowed to drag on endlessly.
One of Mr. Arafat's worst nightmares is that inconclusive negotiations will stretch out for years while Israel expands settlements on the West Bank.

Finally, it is vital that Mr. Arafat be able to show his Palestinian constituency that the United States does not single out the Palestinian Authority for criticism. The Clinton administration

vocations by either side — The New York Times.

hased member of the advisory. council of the Israel Policy Forum, was director general The Clinton administration of the Israeli Foreign Minshould keep speaking out istry from 1980 to 1987. He publicly against needless pro- contributed this comment to

LETTERS TO THE EDITOR cooperation, advancing con- end of 1973, but he was no fairs of an independent counflict resolution and peace- such thing in the opening try (Yugoslavia). keeping, and addressing the weeks of the coup, when Regarding this matter. there was a successful pre-

cedent 102 years ago. In 1897, the great powersprinciple that a head of state Britain, France, Russia, Gerdoes not enjoy immunity from in the Netherlands following the national interest. We arrest and judgment was esmany and Austria - were able to prevail upon the Ottoman tablished at Nuremberg: Admiral Karl Doenitz was head Empire, without the use of force, to completely evacuate the island of Crete, which was of state of Nazi Germany beginning May 1, 1945, but that did not save him from apthen a Turkish province. The reason for the demand was the pearing before the tribunal. DAVID WINGEATE PIKE. mistreatment of the local pop-ulation, which was 75 percent

> The great powers set up a locally elected government with Prince George of Greece

> > Aeghion, Greece.

Adents CSA

Rosse, USA

moeii. Bekinen

Carri Egys

Chiago USA

Dalian, PR Choss

Justident, Germany

General Secretarial

Girds Turkey (2001)

kumbul, Turker^o

Louis Perso

New York, USA

Scoul, South Kores

Stanii El Shekk Egye (2010)

Vaningan. DC, USIO

No Celebrations

"Despite Regarding Qualms, NATO Unity Endures" (March 29):

The writer, William Drozdiak, describes the sentiment the United Nations promotes the shooting down of a should pay our full debt now.
Yugoslav MiG-29 jet fighter DAVID A HARRIS by a Royal Netherlands Air Force F-16.

As chief of public infor-mation for the Royal Netherlands Air Force, I disagree with Mr. Drozdiak when he concludes that the pilot was treated more like a pariah than a national hero.

cally when we consider the situation of the people of Kosovo. The Royal Netherlands Air Force is a highly professional organization and any teelings of joy over the shooting down of the Serbian plane are limited to satisfaction that the quality of training and equipment and the protessional approach of all personnel involved paid off.

A R. FOKKEMA. The Hague.

colonel, is chief of public information for the Royal Netherlands Air Force.

The writer, a lientenant-

U.S. Dues to the UN

Recent news reports sug-gest that the United States risks losing its UN General Assembly vote because of a

failure to pay UN arrears.
Potentially losing the right to vote in the General Assembly is a serious matter, but the United States is already paying a heavy price in terms of prestige and political clout at the world body because of

its shameful debior status. This situation was glaringly evident during a recent visit to the UN complex in Geneva, the center of a broad range of international agencies involved in economic. social and humanitarian work. Clearly there, as in New York, the U.S. capacity to influence other member states, even some of America's ciosest European allies, is diminishing as a direct result of the failure to pay UN dues.

As an organization whose founders were deeply involved in the UN's creation. he are concerned about the current state of affairs. Whatever one may think about the UN — and there is plenty of room for criticism — it remains an indispensable body for lostering global

veloped nations. American engagement with

New York.

The writer is executive director of the American Jewish

The Pinochet Ruling

Two elements are missing in the ruling handed down by Celebrating an aerial vic- the seven Law Lords in Lon-

needs of the world's least de- many of the worst atrocities were committed. Second, the

On the War in Kosovo

There seem to be doubts in tory is not appropriate, espe-don. First, Augusto Pinochet, some international circles was president of the junta, about the legality of NATO hence head of state, before the intervention in the internal af-



Greek and 25 percent Turk.

as high commissioner. T.L. CHRYSANTHOPOULOS.



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A Passion for Perfection

American Sings A Song of France

Dawn Upshaw's Range and Reach

By David Stevens nal Herald Tribune

ARIS - The American soprano Dawn Upshaw has been in town for the last couple of months giving an impressive Scala premiere of Hump-demonstration, not only of her radiant erdinck's "Hansel und vocal estate, but of the range of her Gretel," and as late as vocal estate, but of the range or ner usical curiosity and the extent of her 1933 she sang Concepcion in Ravel's

After performing a group of Canteloube's "Chants d'Auvergne" with the San Francisco Symphony during its she appeared often and European tour last month, she settled in spent the World War II at the Opera Bastille for a revival of years. During the first Mozart's "Magic Flute," in which she war she had become the was a warmly appealing Pamina despite the arch stylization of Robert Wilson's production.

This was followed by an extraorThis was followed by an extraor-

dinary recital at the Theatre des Champs-Elysees under the title of 'The Composers' Muse - Homage to Jane Bathori," with the young French pianist Jerome Ducros as her alert and sensitive collaborator.

Sensitive collaborator.

Jane Bathori was the stage name of Jeanne-Marie Berthier (1877-1970), a singer — a mezzo soprano — who was singer — a mezzo soprano — who was in a kind of recitative, linked closely to the french language. former of the song literature of just the inflections of the French language. about every important French comThe absence of "melody" upset the poser during the first three or four decades of this century.

In other words, she was an indis
Today it is hardly possible to un-

pensable collaborator in the vocal music of Debussy and Ravel, then of Satie and the group of composers lumped together as Les Six, and a number of their contemporaries. She performed the same service for their vocal music that the pianist Ricardo Vines did for the keyboard works of the same com-

She concentrated on recitals, often



pianist, Bathori gave the first performance of Dawn Upshaw as Pamina in the Opera "Histoires Naturelles." Bastille production of Mozari's "Magic Flute."

Tailleferre's droll and sensuous "Chansons Françaises": three of Erik Satie's quirky songs; Arthur Honegger's six Apollinaire poems, and De-bussy's Promenoir des Deux bussy's "Promenoir des Deux Amants." Poulenc, Roussel and Koechlin were among the others on a rich menu.

The soprano's American affinities are suggested in a recent recording of the songs of Vernon Duke and another CD that ranges from Bernstein to Blitz-stein. Sondheim and Weill. And new projects on Upshaw's horizon include Among other highlights was the opening song, the "Chant de Nourrice," one of Darius Milhaud's "Poemes Juifs," a reminder of the the role of Daisy in "The Great Gatsby," a new opera by John Harbison scheduled for next season at the Metropolitan and the Lyric Opera of



BOOKS

composer's deep roots in the Jewish

history of Provence; a trio of Germaine

derstand such an uproarious reception,

and Upshaw's performance provided a

delightful conclusion to an inventive

ABOUT FACE A History of America's Curious Relationship With China, From Nixon to Clinton By James Mann. 433 pages. \$30. Knopf.

Reviewed by Ross H. Munro

viewed today as the leading War. But, introducing a China hand in the Washing- sub-theme that runs throughreputation with Face," a simultaneously absorbing and troubling account of U.S.-China relations since Henry Kissinger's and Richard Nixon's journeys to Beijing in the early 1970s.

Mann's colorful and detailed narrative, studded with dozens of vivid anecdotes, reveals how ineptly Republican and Democratic administrations alike, right up to the present, have managed our ies with the world's most populous nation.

Mann largely eschews judgment calls and lets the facts speak for themselves. His account shows how, time and again, Chinese officials have outmaneuvered and out-negotiated their U.S. counterparts, inducing the top officials of the world's most powerful nation to throw away most of their high cards in the early rounds of each game of diplomatic poker. This was true of Kissinger and later of Zbigniew Brzezinski and Alexander Haig,

among others. 'Chinese leaders preferred to deal with a single. high-level American official who could be courted. flattered and praised for his up declaring his opposition Mann writes. wisdom.' Such an official would in turn often become a forceful advocate in Washington of policies that served China's interests. "

Mann shows that China is still getting the upper hand. Even during the Cold War the United States gave more and got less than the conventional wisdom today holds it did.

The U.S.-China prochement benefited both countries because it ultimately helped tilt the balance in the Cold War against China and prefer working the Soviet Union. But the Chinese were defter than the allies and friends like Japan Americans at picking and and Taiwan. choosing areas of cooperation. For instance, China re- U.S.-China relations, Mann fused to help the United States extricate itself from Reagan administration offi-Vietnam, even though that cials led by George Shultz was at the top of Nixon's and Paul Wolfowitz prevailed wish list.

Beijing later allowed the Central Intelligence Agency policy in Japan's and Taito set up monitoring stations in western China, but this Chinese leadership realized gave China not only access to that the Reagan administrainformation about the Soviets tion wouldn't budge in this that it never had before, but regard, ties between Washalso a unique opportunity to ington and Beijing were

learn U.S. intelligence collec- stable and productive for sevtion techniques. China also eral years. supplied the CIA with everything from mules to rock-

million a year.

these amounted to trade-offs "About successors) as almost eager to sell out Taiwan's interests to the Chinese in order to cement the new relationship with Beijing.

He shows how Kissinger secretly gave Premier Zhou Enlai everything the Chinese wanted on Taiwan at their very first meeting in 1971-by enormous amount of declaring U.S. opposition to any form of Taiwanese independence - even before being asked to do so. Mann catches Kissinger's later dissembling on the incident in

his memoirs. Not until last year did the Chinese finally inveigle Bill Clinton into becoming the first U.S. president to utter a variation of the same formula, now known as "the three nos," in public. Despite the Kissinger precedent, Mann suggests that Clinton's move was even more deserving of criticism because Taiwan had in the meantime become a full-fledged democracy.

In one of the many reversals in U.S.-China policy that gives this book its name. the 1992 presidential candidate who had trumpeted his commitment to promoting democracy in China ended to Taiwan's democratic determination of its own fu-

The existence of an effectively independent Taiwan sitting offshore of a now strategically ambitious China has long been seen, by those in Washington whom Mann appropriately labels the "pro-China faction," as a U.S. liability and never as a potential asset. Mann excels at portraying the trench warfare between this faction and what he calls the "pan-Asian faction," those who are wary of more closely with democratic

The golden era asserts, was 1983-88, when over the "pro-China faction" and rebalanced U.S. Asia wan's favor. Once the

Mann is clearly sympathetic to the pan-Asianists of the et-launchers for delivery to Reagan era. But he reserves Mann shows have underlain the anti-Soviet Afghan his strongest language for a Clinton's China policy, and rebels, but in return deman- condemnation of the obsessded top compensation, esti- ive secrecy with which the as well, are looking shakier mated at its peak to be \$100 foreign policy elite, starting million a year. foreign policy elite, starting with Kissinger, has conduc-

JAMES MANN of the Los that could be justified during an approach to China that has the dark days of the Cold persisted from the Nixon to War. But, introducing a the Clinton administrations ton press corps. Now he has out the book, Mann portrays U.S. and Chinese officials strategy tightened his hold on that Kissinger (and some of his tended to view one another as China's partners, and to view Amer- world. ican public opinion as an obstacle or an adversary. But without public support, Mann points out, no U.S.-China policy can survive in

> the long term. Beneath Mann's smoothflowing narrative lies an research.

He excels in drawing crucial facts from declassified records, obscure memoirs players in U.S.-China relations over more than a quarter-century.

With its many vividly accurate portraits of prominent but influential inside players in China policy, Mann's book will be avidly read in Washington. But it will also fascinate C-Span watchers anywhere who are interested in a lively, realistic account of the Asian Studies at the Center messy business of making for Security Studies in Washforeign policy.

next administration who will

George Stephanopoulos
2 THE GREATEST GEN-

inherit what is left of the Clinton administration's unraveling China policy.

The assumptions that often that of his predecessors than ever. Economic liberalization in China has not only Arrangements such as ted diplomacy with China. halted, it has gone into re-lese amounted to trade-offs Mann insightfully attacks verse. China is increasing, not reducing, restrictions on U.S. persisted from the Nixon to companies and U.S. exports demolishing for the fore-"in which a small number of seeable future the Clinton

> At the same time, Chinese leaders are intensifying a sweeping new political crackdown that began last summer. precisely when President Clinton was suggesting in Beijing and Shanghai that China was becoming polit-

ically more open. Here, Mann's advice is implicit but clear.

The most important lesson that repeatedly emerges from and above all from his in- his book is that Washington terviews with scores of key policymakers should not continue to be deluded by the remote prospect of China's becoming a democracy, an ally or a huge market. Instead, the United States must perofficials as well as obscure sistently adhere to a coherent China policy firmly rooted in U.S. national interests.

Down that road lie some very difficult decisions.

Ross H. Munro, director of ington and co-author of "The Most of all, however, it Coming Conflict with should be read by those in the China," wrote this for The Washington Post.

Elegy on a Social Structure Ambiguity and Conflict in Late Middle Classes

By Sheridan Morley

efficiency by Harold Pinter, is ambiguous, suggesting both an obituary for the British class structure that collapsed with the end of the World War II and a crucial plot point that hinges on a young boy returning home late from a weekend in London with his suppressed-gay music tutor.

Clearly we have some sort of autobiography here; the dates fit with Gray's own, the Hayling Island setting is familiar and Gray too had a scholarship to Westminster. But what is most intriguing, beyond the closet memoirs and the closet sex, is Gray's eagerness to return to well-made 1950s domestic dramas by the likes of Emlyn Williams, Terence Ranigan and N.C. Hunter, in which there was very often a gay subtext and a teenager on the threshold of some sort of departure and personal

awakening.
In fact, Gray's elegy founders because it has at least two distinct and conflicting aims: to remind us in general terms what it was like for women who came home from a "useful" war to find themselves thrown back to being wives and mothers and nothing else. and to recount a painful domestic drama about the destruction of at least four lives largely because of an unfortunate liaison ("Tea and Sympathy," anybody?) between a lonely, exiled piano teacher and a good-look-

ing local lad. As so often happens, Gray has been wonderfully served by his cast. Nicholas Woodeson as the agonized teacher; Angela Pleasance as his dorty Germanic mother: Sam Bedi as the boy who crashes into their unhappy lives: Harriet Walter as the boy's flighty, doomed mother, and James Fleet as his clenched, unforgiving father. All give performances very often better than the parts as

Gray is always at his best when, like Rattigan, he is chronicling the collapse of the old sexual and social certainties, and a play about inner exile, frustration, duplicity and suppressed passion expressed through music surely deserves something better than a month at Wat-

unlucky. It would have to have been made right under a German heaven. Gray's new memory play at Watford. "The Late Middle Classes," directed with cool cy by Harold Pinter, is ambiguing. eventually get around to one of his dramas ("Close of Play"), it was one of his least effective. But he matters, if only because in script after script he reminds us what middle-class British playwriting was once all about. His entire career, like that of Ronald Harwood, is effectively that of the Theatre Royal Haymarket in exile.

Something seems to have gone horribly wrong with the first major revival (by Michael Grandage at the Donmar Warehouse, where it first opened back in 1981) of C.P. Taylor's "Good," and it is the casting of the otherwise estimable Charles Dance in the leading

When I saw Alan Howard premiere career, it struck me as a chamber concert in death and destruction, pitched somewhere between "Cabaret" and "Pen-nies From Heaven." And through it all, Howard's my-

opic otherworldliness set precisely the right tone of uncertainty so the first of which Wilde was prosecutor that we never know before his first of which Wilde was prosecutor awful arrival at the gates of Auschwitz. useful enough. whether or not he was really to go through with the Nazi agenda.

Dance has, by contrast, a brooding Machiavellian quality that makes it pretty clear from the outset which way he is going to jump, simply out of a strong sense of practical self-preserva-

The plot concerns Halder, a wellmeaning academic who early in the 1930s happens to publish a book suggesting that, in certain extreme circumstances, euthanasia might not be such as bad an idea. Hitler chances to read it, and for the next six years, from 1933 Frankfurt to 1939 Auschwitz, we follow the author's increasingly dreamlike association with the rise of the Nazis.

Taylor called the play "a comedy with music," and it was unwise of Grandage to deny us the on-stage band that counterpointed the original action. not corrupt, stupid, ambitious or afraid; of being Oscar. Not yet, and not by a Gray is chronically unfashionable like "Don Quixote" (and originally long way.

among young directors and national Halder finished up at Auschwitz reading theater companies, as well as curiously just that), he just wishes that all could be

Faith Brook and Emilia Fox are strong as his mother and mistress, but elsewhere this is an oddly undercast and very

To the Gielgud Theatre from Plymouth and a long Off-Broadway run. comes "Gross Indecency." Moises Kaufman's drama-documentary about the three trials of Oscar Wilde in

Let England, wrote Lord Alfred Douglas (Wilde's lover and the cause of his douglas) his downfall) 40 years later, bear the responsibility for what she has done to Oscar", at least we have not borne our responsibility in the one way Wilde him-

counting, several full-length radio and TV documentaries and almost all his this breathtaking modern classic, in plays newly filmed for next year's what remains the performance of his centennial of his early death.

As writer and director. Kaufman has effectively edited the courtroom transcripts into a more or less coherent stage drama, and if you didn't know, for instance, that there

SUMMENTS

that we never knew, before his final, and not defendant — then this guide is

In little more than two hours you get a complete survey of the case in Reader's Digest style, and a strong cast (Michael Pennington as the unfortunate Oscar, Clive Francis as his defense counsel, Nick Waring as a gorgeously laid-back Douglas and James Aubrey as Lord Outsansheems as Lord Queensberry) gets us through the courtroom in crisp and clear fash-ion, allowing the occasional fantasy flashbacks to break up the tedium of the edited highlights.

If, on the other hand, you already know the basics, you will not learn a lot more here, while Kaufman's attempts to bridge the gap between documentary drama and theatrical experience are mostly unsuccessful.

Still, as Wilde nights go. I've suffered a lot worse over the last 20 years, and with the 100th anniversary of his death now looming, believe me, we But the point about Halder is that he is haven't heard the last of the importance

A Chilly 'Tristan' in Salzburg

By George W. Loomis

ALZBURG — There has been much speculation about Claudio Abbado's plans when he leaves the Berlin Philharmonic in 2002. But based on his Cheli's lighting was often capricious. "Tristan und Isolde" that opened the Salzburg Easter Festival on Saturday, he could do worse than devote more time

to Wagner. Especially at the Easter Festival, where the practice of basing events around a single opera, impeccably cast and thoroughly prepared, has worked handsomely since Abbado became artistic director in 1994, just as it had under the festival's founder, Herbert von Karajan.

Indeed, many among the Salzburg establishment now seem to find the Easter Festival more congenial than its summer counterpart. The audience oozes prosperity and is as stunningly dressed as ever, though it is not getting any

But the festival has hardly turned into a museum during the Abbado years, which have seen such memorable productions as Herbert Wernicke's "Boris Godunov" and Peter Stein's Wozzeck." More than most conductors, Abbado has taken a very personal approach to repertory, and he has largely shied away from Wagner. But if the new "Tristan" failed to take its place among the high points of recent festivals, it's not for musical deficiencies but because of Klaus Michael Grueber's numbing staging.

True, the love between the two protagonists proves to be too much for this world, but Grueber seems to have regarded it as a lost cause from the start. How else to explain the lack of interest the lovers show in each other? They barely traded a glance during the long exchange before they drank the love potion, and thereafter physical contact was minimal. It was typical that when Tristan, in his dying moment, held out his hand. Isolde didn't seem to notice. It was as if the opera itself were simply a dull prelude to the eternal bliss the lovers find once the curtain descends on the "Liebestod."

Under other circumstances, Eduardo Arroyo's sets might have worked better, although the most striking of these, a vast,

see-though ship consisting just of its metallic outlines and open decks, tended to depersonalize scenes meant to be conducted privately and indoors. Certainly it was hard to credit Isolde's

One needed to concentrate on the pit for a reminder that "Tristan" really is an exiting opera, and there the energy level never sagged. Abbado led a passionately hot-blooded performance, fully worthy of the supreme operatic embodiment of love. A wonderfully flexible approach to tempos was in evidence from the prelude, which began with languorous beauty, then worked itself into a seething climax. And thereafter Abbado never flinched from giving the big musical moments their due. The Berlin Philharmonic responded splendidly and never made a strident or unpleasant sound.

And Abbado had singers who could ride the orchestral torrents. Ben Heppner once again demonstrated the combination of vocal power and tonal beauty that have made him the current heldentenor of choice. The voice held up superbly for the long delirium scene, when other tenors tend to produce sounds more akin to barking than singing. Still a newcomer to the role, Heppner will no doubt come to project Tristan's anguish more intensely, yet even so this was the point when Grueber's direction seemed the least oppressive.

EBORAH POLASKI, whose portrayals have recently shown a new depth of character, made an excellent Isolde, secure on top and eloquent in soft. middle-lying phrases. But her trance-like stage movements disappointed those hoping for a more vibrant, feminine Isolde than today's other important exponent of the role, Jane Eaglen, because of her size, can manage.

Marjana Lipovsek was better at conveying Brangaene's anxiety over her mistress's plight than at supplying warmly soothing tones. Falk Struckmann was an outstanding Kurwenal, fierce in his loyalty to Tristan, and Matti Salminen's magnificent; hugely voiced Marke remains one for the ages.

George W. Loomis is a music writer based in Moscow.

BEST SELLERS The New York Times
This list is based on reports from more than 2,000 bookstores throughout the United States. Weeks on the fist are not 3 MONICA'S STORY, by Andrew Morton 4 TUESDAYS WITH MORRIE by Much Albom
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PERFECT TOWN, by FICTION THE ART OF HAPPINESS. THE TESTAMENT, by by the Data: Lame and Howard C. Coster REACHING TO HEAVEN 2 RIVER S END. by Nora by James Van Praagh 8 BLUND MAN'S BLUFF. 3 TARA ROAD, by Maeve Binch 4SINGLE & SINGLE, by by Sherry Sontag and Christopher Drew with John le Carre 5 HUSH MONEY, by Annette Lawrence Drew TRAVELING MERCIES. Robert B. Parker 6 VECTOR. by Robin hy Anne Lamon 10 BEAUTY FADES, DUMB 15 FOREVER, by Judy 7 APOLLYON, by Tim Shendla 11 CONVERSATIONS Lahare 8 ASHES TO ASHES, by 11 CONVERSATIONS
WITH GOD: Book 1, by
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THE MADMAN, by
Simon Winchester
12 26 7 HARRY POTTER AND THE SORCERER'S STONE by J K. Rowling THE POISONWOOD Simon Winchester
13 THE CENTURY, by Peter
Jenungs and Todd
Brewster 10 THE BIBLE dy Bartura Brewsler
14 THE ENDURANCE by
15 The Endurance 10 15 11 WHILE I WAS GONE, by Candine Alexander 15 ANGELAS ASHES. by Sue Miller 12 A SUDDEN CHANGE OF HEART, by Barbara Taylor 13-BE COOL by Elmore ADVICE HOW TO Leonard
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3 REAL AGE, by Michael F.
Rozen with Eliezbeith
Anne Stephenson

4 SUGER BUSTERS!, by

H. Leighton Steward et al.

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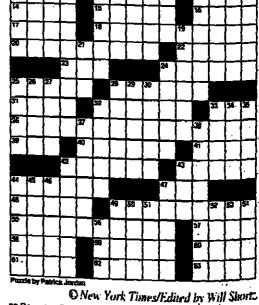
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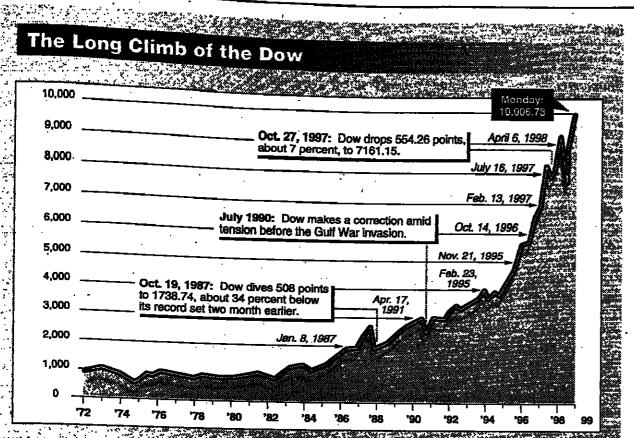
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sam; The Washington Post As the Dow industrials reached 10,000 Monday, some were concerned that the rally lacks breadth. Page 18.

Euro-Zone Growth Looks Set to Slow

But '99 Figures Will Only Be a Dip in the Road, EU Commission Says

By Barry James

BRUSSELS - The European Commission on Tuesday scaled back its forecast for economic growth in the 11-nation single-currency zone this year to 2.2 percent from 2.6 percent six months ago. But the commission's top monetary official said underlying economic factors were sound and said he was not concerned about the relative weakness of the euro. "It's a good currency," said Yves-Thibault de Silguy, acting commissioner

for economic, financial and monetary affairs. "You shouldn't get hung up about the rate. One day you will be asking why the dollar is down against the enro. The European Union's executive

body indicated in its spring economic forecasts further weak growth in 1999 but predicted that the economy would pick up later in the year. The fall was attributed to the impact of recession in Asia, Latin American and Russia.

Analysts said the slowdown - particularly in Germany, where the economy is expected to grow only 1.7 percent in 1999 — would increase pressure on the 1998-2000 period, the EU would conducted in the new currency.

flation, at 1.3 percent — below the in the early 1990s. It said there were no ECB's target of 2 percent — is at its signs of significant job-shedding this lowest level since World War II.

last year, the commission forecast that ber of unemployed was expected to fall the economies of the 11 countries belonging to the single-currency zone would grow 2.2 percent in 1999 and 2.7 percent in 2000. Equivalent growth figures for the entire 15-member EU were 2.9 percent in 1998, 2.1 percent in 1999 and 2.7 percent in 2000.

"Strong economic fundamentals no inflationary pressures, record low interest rates, strong consumer confidence as well as signs of stabilization in the international environment suggest that the dip in growth will be short-lived and that the EU economy will pick up toward the second half of 1999," the commission said.

But it was critical of the slowness of countries in getting their budgets under control, saying they relied too much on cyclical factors and low interest rates

the European Central Bank to reduce create about 4.2 million jobs, which Mr. interest rates further, even though index of Silgury said would wipe out job losses year because the slowdown in growth After "robust" growth of 3 percent was expected to be temporary. The numto 14.5 million in the EU, or 9.2 percent of the work force, in 2000 from a peak of

11.2 percent in 1994. Despite the positive elements in the report, the euro slipped Monday to a fresh low against the dollar, though it was above its low Tuesday, at \$1.0717 in late trading in New York.

"It is not a source of preoccupation," Mr. de Silguy said, adding that there was no objective need to keep the currency at a higher level. The euro is being driven down against the dollar not because of internal factors within Europe, he said, but by unexpectedly strong American growth, particularly in the fourth quarter

Mr. de Silguy said the euro was fulfilling its promise, with nearly half of international bond trades denominated in it and 60 percent of the foreign trade of the 11 countries in the euro zone being

MEDIA MARKETS



Daily Thrives on its Values

Share Sale Buoys Poland's Gazeta Wyborcza

The newspaper's parent company,
Agora SA, has launched a public share
sale in Warsaw and London, bening
With Poland's economy the

Those values, she said, are editorial nave been claused and popular run to independence, support for Poland's cess, bringing the Saturday print run to independence, support for Poland's cess, bringing the Saturday print run to independence, support for Poland's cess, bringing the Saturday print run to independence, support for Poland's cess, bringing the Saturday print run to independence, support for Poland's cess, bringing the Saturday print run to independence, support for Poland's cess, bringing the Saturday print run to independence, support for Poland's cess, bringing the Saturday print run to independence, support for Poland's cess, bringing the Saturday print run to independence in the

- Gazeta

Wyborcza, the newspa-

Helena Luczywo, the paper's managing editor, co-founded Gazeta Wyborcza in her kitchen in 1989.

By Peter S. Green

International Herald Tribune

per that helped Poland's Solidarity labor union movement defeat the Communist

rulers in 1989, is taking its ambitions

sale in Warsaw and London, betting

that it can balance shareholder in-

terests with the journalistic principles

that have been the key to its success.

Helena Luczywo, the paper's managing editor, said: "We've been able

for 10 years not to compromise our

values and to grow the company."
Mrs. Luczywo founded Gazeta in her

kitchen with Adam Michnik, who is

Those values, she said, are editorial

democratic free-market transition, and

a highbrow, wide-eyed fascination with what she calls "all the changes

that are happening in Poland."

With the world's media increas-

now the paper's editor-in-chief.

to the next level: financial solidity.

ARSAW

U.S. to Limit IMF's Bailout of Russia

By David E. Sanger New York Times Service

WASHINGTON - American officials have warned that they will permit only enough support to keep Moscow from defaulting on international loans, following the International Monetary Fund's agreement on "a broad framework" to resume financial aid to Russia.

The vague accord announced Monday, the first since Russia's economic meltdown last summer, followed a hastily arranged meeting in Moscow be-tween Michel Camdessus, the managing director of the Fund, and Prime Minister Yevgeni Primakov of Russia. But only hours after Mr. Primakov's aides sug-gested that the IMF would lend Russia more than \$8 billion this year, the Fund denied that Mr. Camdessus had discussed specific amounts.

Other officials suggested that Russia Russia owes the IMF this year, meaning many politically painful economic re-

that the aid may amount to a paper forms but insists on a resumption of aid. transfer that allows Moscow a grace

period on repaying its loans. [On Tuesday, officials said that the Fund was still discussing the size of the plane around and went home when he crucial loan, The Associated Press re-

diplomatic and economic relations be-tween Moscow and Washington have itary aid to President Slobodan Milodeteriorated in the last nine months.

Treasury Secretary Robert Rubin, who helped engineer an IMF-led \$17 billion emergency bailout for Russia last year, is now reluctant to provide more than token aid to the country. The July bailout failed in August, when Russia devalued its currency and then fired the team of economic reformers that the United States was betting on to remake the Russian economy.

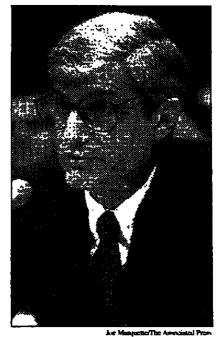
Since then, the IMF and Mr. Primakov would receive only a few billion dollars have been doing an elaborate political this year. That would barely cover what and economic dance. Russia has refused

An accord was expected last week, when Mr. Primakov was scheduled to learned that NATO was planning to be-American opposition to new loans to Russia is a reflection of how deeply both diplomatic and economic relations between Moscow and Washington sevic have greatly complicated the IMF

negotiations with Russia. That became clearer than ever on Monday when, only hours after Mr. Primakov declared that an IMF deal was imminent, the Russian defense minister claimed that a Russian-made air defense system sold to the Yugoslav military was responsible for shooting down a U.S. Stealth F-117A fighter on Saturday.

White House officials said on Monday that they would open themselves to con-gressional attack if they approved a re-

See RUBLE, Page 12



Robert Rubin, U.S. Treasury chief, is wary of major new aid for Russia.

China Raises Hollywood's **Export Hopes**

By Erik Eckholm

BEIJING - Hollywood has received its first sign in years that China may be into its theaters, a movie industry leader

And as a sweetener in its campaign to open the potentially giant market here, the American movie industry plans to stage a Chinese film festival in New

more than 10 are allowed in each year-

Mr. Valenti said in an interview Tues

"This is the first time in all my visits agreement, there is no way to know how soon China's policies might change,

"Our companies are ready to invest millions of dollars here if they are allowed to," Mr. Valenti said in the in-

See FILMS, Page 12

willing to allow more American films said Tuesday.

York and Los Angeles this October.

Jack Valenti, chairman of the Motion Picture Association of America, made the offer of a film festival in talks with senior Chinese cultural officials here over the last two days. In the talks, he urged China to open its doors not only to more American movies — currently, no but also to American investment in stu-

dios, co-productions and cinemas. day that he had been "heartened" by his reception, which he described as the most positive in four visits over the last three years. He met with Ding Guangen, the Communist Party's powerful chief of propaganda, and Sun Jiazhen, the culture minister.

While they made no specific commitments, both officials indicated they wanted to see more American films in China, Mr. Valenti said.

that they've given me a hopeful sign," he said. Still, in the absence of a specific

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CURRENCY RATES

ingly in the hands of press barons who

make no bones about pursuing profit

first and quality later, preserving those principles is a hefty challenge.

After a public split in 1990 with the Solidarity founder, Lech Walesa, Gazeta Wyborcza (its name means

Election Gazette) is now a tabloid with

broadsheet sensibilities, the newspa-

per of the emerging middle class, with

strongest in the former Communist

bloc - it grew 4.8 percent last year -

that has also been good business. With average sales of 432,000 copies, Gazera reached 2.1 million people a day in

1997, or 25 percent of the active population, and held 42 percent of the

Polish newspaper market. Weekly supplements, from em-

ployment ads to a television guide, have been crucial to the paper's suc-

gional editions have brought a large

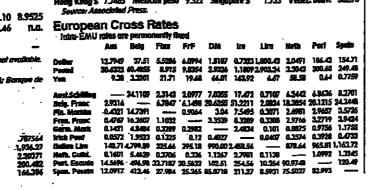
See GAZETA, Page 12

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a: To buy one pound: In: To buy one dalter. "Per 100: N.O.; not quoted: N.A.; not ava SOR: Special drawing rights at the IMF. Sources: Bank of Tokyo-Milautushi (Tokyo); Royal rance (euro): IAIF (SDR), Other data from Reviers.

Euro Values



Republic National Bank of New York Strength. Security. Service.

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THE AMERICAS

Investor's America Dollar in Yen 1.11 1.05 Tuesday Exchange · Preï Index 63:30PM Close Chance The Dow 9940.18 10006.78 -0.57 U.S. S&P 500 1304.39 1310.17....-0.44 U.S. S&P 100 657.22 659.47 -0.34 U.S. NYSE Composite 609.94 513.16 0.53 Nasdaq Composite 2492.16 U.S. 2492.84 -0.03 U.S. AMEX Composite 712.22 717.88 0.79 6609.00 8652,77 0.86 Toronto TSE Index 11025.01 10868.89 +1:44 São Paulo Bovesoa 4845.48: +0.57 Mexico City Balsa 4873.13 Juenos Aires Merva 420.18 415:51 +1:12 4082.58 ... +0.50 IPSA General 4092:69 3885.46 +4-81 Capital General 4072.51

Very briefly:

• NASD Regulation, the self-policing arm of the National Association of Securities Dealers, has fined 10 former brokers at Sterling Foster & Co. a total of \$837,500 and ordered them to repay investors \$1.1 million for alleged fraudulent sales practices.

• Goldman Sachs Group, the investment partnership that is planning an initial public offering, will buy 22 percent of Wit Capital Group Inc., a pioneer in using the Internet to sell stocks to individual investors.

 MCI WorldCom Inc., seeking advanced wireless Internet links, is reportedly investing about \$200 million in the wireless cable business.

a result of the merger last year with First Chicago NBD Corp. The \$19 billion merger was completed in October.

◆Toys 'R' Us Inc.'s reign as the biggest U.S. toy retailer ended in 1998, with Wal-Mart Stores Inc. pulling in more sales. Analysts said it was the first time in more than a decade that Toys 'R' Us was dethroned.

• Renault SA will build Renault-badged cars at the underused factory of its new partner Nissan Motor Co. in Aguas-

• Varig Brazilian Airlines will ground 10 aircraft and suspend lower-yielding routes as a cost-cutting measure in the face of economic difficulties. AP, NYT, Bloomberg, Reitters

To Our Readers

Because of the seven-hour time difference between New York and Paris this week, the U.S. stock tables, the U.S. futures and some other financial data in this edition reflect early or previous day's prices, as noted. This change is necessary to meet distribution requirements.

We will revert to our usual coverage next week, when daylight saving time begins in North America.

Dollar Keeps Wall Street Takes a Pause After Run to Record A Damper On the Euro

NEW YORK - The dollar was little changed against the euro and other major currencies Tuesday, a rally in computer-related shares. though the bombing in Yugoslavia kept the dollar near its record against

the European single currency.

The crisis adds another strain to Europe's stagnant economies, while

FOREIGN EXCHANGE

the U.S. economy booms and its stock markets reach records.

"Kosovo isn't helping what is already a bad situation for the euro," said Bob Lynch, a currency strategist at Paribas Corp. "If you're a short-term investor, I'd sell euros at \$1.0750 and look for a move back down to \$1.07 or below."

In New York, the euro was at \$1.0717 in late trading, down slightly from \$1.0737 late Monday, but above its low of \$1,0680 reached earlier Monday.

The dollar also was drawing strength from the surge in U.S. stocks that propelled the Dow Jones industrial average to a close of 10,006.78 on Monday, its first close above 10,000.

The dollar was a little lower at 120.250 yen, down from 120.450 yen. In other trading, the dollar was at 1.4903 Swiss francs, up from 1.4844 francs, and the pound was at \$1.6121, down from \$1.6167.

As Usual, 007 Leaves • Bank One Corp. plans to eliminate as many as 4,500 jobs as Opposition for Dead

The Associated Press LOS ANGELES - Sony Corp. has given up its fight to make a James Bond film under multimil-

lion-dollar settlements reached with Metro-Goldwyn-Mayer Inc. and producer Danjaq LLC We have given up the universal rights to make a James Bond pic-

ture," said Sony's lawyer, David "James Bond resides at one address — that of MGM and Danjaq, his constant home of the last 37 years." Frank Mancuso, the head of

MGM, said. The settlement involves a \$5 million payment by Sony to MGM and effectively makes permanent a preliminary injunction issued by a court in July 1998, prohibiting Sony from making Bond movies in the United States, MGM said.

Tuesday, March 30

Grains

SOYBEAN MEAL (CROT)

High Low Latesi Chge Optini

amid profit-taking, a day after the Dow Jones industrial average closed above 10,000 for the first time. But bond prices rose modestly as the about," said Arthur Hogan, chief market Federal Reserve Board kept interest rates steady

at its policy-making meeting. Coca-Cola dragged the Dow lower after it warned of weak sales, while America Online led analyst at Jefferies & Co. "The long-term in-

Any company with international exposure and Coke is the ultimate one - is experiencing the slowdown of those economies," said Joseph Williams, a money manager at Commerce Bank in Kansas City, Missouri

Weakness abroad will hold the market back this year, he said.

The Dow fell 71.60 points, to 9,935.18 in late trading, paring a 132-point loss. On Monday, the Dow closed at 10,006.78, a record. The Standard & Poor's 500 index slid 5.90 to 1,304.27. AOL shares tempered the loss with a 10 percent gain. The Nasdaq composite index rose 0.12 point,

to 2.492.96, led by Microsoft. Five stocks fell for every four that rose on the New York Stock Exchange.

would be normal.

U.S. STOCKS

vestors who have stayed in this market have been

Bonds gained for the first time in four days as the Federal Reserve held interest rates steady at 4.75 percent, suggesting that central bankers are not concerned that economic growth will fuel

Earlier in the day, the Conference Board reported that consumer confidence in the U.S. economy rose for the fifth straight month in March as jobs remain plentiful and inflation is scant. The board's index climbed to 133.9 this month from a revised 133.1 in February, according to the New York-based research group.

The benchmark U.S. 30-year Treasury bond rose 27/32 to 95 7/32. Its yield fell 6 basis points

Dow component Coca-Cola fell 2 to 62 13/16 NEW YORK — Stocks were mixed Tuesday into record territory on Monday, a pullback mid profit taking a day often the Dow Land soft drinks in Europe and Latin America.

Among other Dow stocks, General Motors said it would meet its first quarter-earnings estimates. but warned that its financial targets for 1999 were too aggressive. GM initially declined, but in late

trading, it rose 1/2 to 87%.

America Online rose 12 9/16 to 144 15/16 and Sun Microsystems climbed 1% to 126 1/8 after the companies outlined a joint strategy to simplify electronic commerce with a line of products and services that will compete directly with existing offerings from International Business Machines and Microsoft.

Central European Media Enterprises gained 4 12, or 53 percent, to 13 after news that the company, the leading commercial television company in Central and Eastern Europe, is being bought by SBS Broadcasting SA for \$615 million in stock and assumed debi.

Iridium World Communications fell 3% to 16 5/16. a 52-week low, after the troubled satellitebased global phone network was downgraded by (Reuters, Bloomberg, AP) Merrill Lynch.

FILMS: China Raises Hollywood's Export Hopes by Allowing More U.S. Movies

Continued from Page 11

terview. "We'd like to come in and build multiplexes," he said, which could attract more consumers to both Chinese and American films. Mr. Valenti is in China as part of a

trade mission led by the American secretary of commerce, William

By an unwritten rule, only about 10 foreign films per year, virtually all of them American, are allowed to play inside China on a basis of shared box-office revenues. China's concerns are partly ideological the Communist Party worries about now, though, and its take is suffering 'spiritual pollution' from the because of massive pirating.

West. But the country is also out to The acceptance of "Mulan" was West. But the country is also out to

protect its own weak film industry.

China has not offered clear criteria for its choices, but generally avoids films that have nudity or that delve into politics.

Last year only seven American films were released here, including "Titanic," which was a sensation and grossed more than \$35 million in China, and "Saving Private Ry-

which had modest results. For 1999, eight films have been approved so far, including "Dr. Dolinle," "The X-Files," "A Bug's Life" and "The Truman Show." Only the Disney animated film "Mulan" has actually been released up to

delayed last year because of Chinese

anger over Walt Disney Co.'s in- a chord with consumers. volvement with a film glorifying the Dalai Lama. But Disney has patched 'Mulan," have been approved for

release in 1999. Dozens of other foreign films. most from Hong Kong and Taiwan, play in China for a flat fee, an arrangement that is not interesting to Hollywood studios, according William Brent, president of China Entertainment Network, a consulting

firm based in Shanghai.

China's own film industry produced about 80 films last year, Mr.

China does have some directors of international stature such as Zhang things up with the government, and Yimou and Chen Kaige, whose three other of its films, in addition to films are respected if not always commercially successful, as well as other promising directors who might benefit from exposure abroad.

'You can see what the Chinese are afraid of," Mr. Brent said. 'Titanic' and 'Saving Private Ryan' alone probably accounted for

30 percent of the total box office in China last year, and if 30 American films come in, their own industry could be totally wiped out." Mr. Valenti proposed that in the

Brent said. But these are made under conditions of censorship with outdated technology, and seldom strike then about 25 during the next year.

RUBLE: Political and Economic Concerns Cause U.S. to Limit Russia's Bailout

Continued from Page 11

sumption of help for Moscow at a moment when Russia was resuming aid to Mr. Milosevic. While the United States holds only an 18 percent vote on the board of the Fund, it could as a practical matter veto an aid package. On Monday, officials went out of their way to make sure that Mr. Primakov understood that the two issues were closely linked.

"A U.S. judgment about an IMF a senior administration program.' official said, "would depend on Russian economic policy actions and could also be influenced by broader political developments.

Even if Kosovo were not straining U.S. relations with Moscow, the United States was already trying to limit the IMF's re-engagement with Moscow. American officials have told the Fund that they would oppose offering what the Treasury calls "new resources" to Russia, meaning that any loans could be used only for repaying the Fund or meeting with parliamentary leaders, the World Bank. Under one possible plan under discussion, Russia would repay the Fund, only to receive a check for roughly the same amount the next day — a move that, in other contexts, is called check kiting.

American officials have gone fur-

pays more to the IMF in 1999 than the IMF pays Russia. But officials inside the World Bank and the Fund say they oppose that approach.

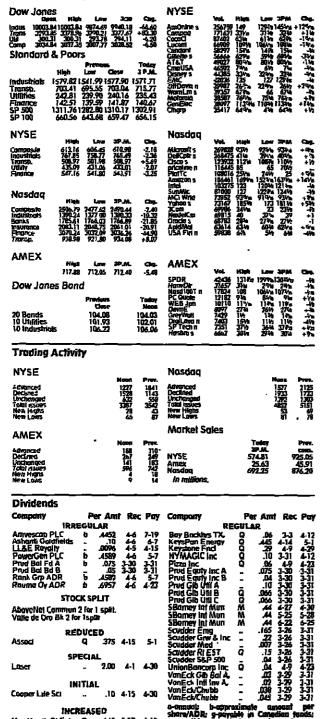
Mr. Camdessus was clearly seeking to mend fences in Moscow over the weekend. He made a whirlwind tour of the Russian political elite, with directors of Gazprom, the giant Russian natural gas company, and even dining with the patriarch of Moscow and All Russia, Alexei II. He also spoke on the telephone with President Boris Yeltsin.

ther, saying that by the end of the rubles - about \$2.4 billion at cur-

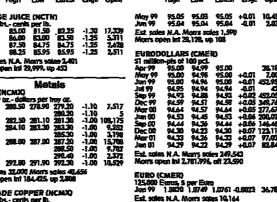
year they want to make sure Russia rent exchange rates - in new revenues, partly by postponing a cut in Russia's value-added tax. The Fund had protested the Russian Duma's age of the tax cut, noting that the VAT was one of the few taxes that Russia successfully collects.

The Fund said it also reached an agreement with Russia that its budget would run what is called a "primary surplus" of 2 percent of the country's gross domestic product, or roughly \$3 billion. The term refers to a surplus before payments for foreign debts. But how the Russians would achieve that sur-Russia agreed to raise 60 billion plus, one senior IMF official said, ibles — about \$2.4 billion at cur
"is still a considerable raystery."

U. S. STOCK MARKET DIARY Tuesday, March 30 **Most Actives**



INTERNATIONAL FUTURES



05. cents per D.
62.20 61.40 61.70 0.20
62.70 61.80 62.20 0.25
61.25 62.40 62.40 0.30
61.80 62.70 61.00 0.30
64.85 61.85 63.75 0.30
64.85 64.00 64.00 0.30
65.15 64.35 64.25 0.25
65.35 64.40 64.73 0.20

r metric fon 1 (High Grade) 1196.00 1197.00 1220% 1222.00 1223.00 1245.00

5070 but minimum: cents per bushe May 99 50214 495 50714 1419 577 5024 5094 Aug 99 51324 5074 512 5699 5134 5074 512 5699 5134 5074 515 5224 515 52 otes N.A. Mon's soles 8,233 sugen int 14,727, off 819

S YRTREASURY (CBOT)

\$100,000 prin- pts & 64ths of 100 pcs Jun 99 111-41 111-20 111-41 + 20 242,724

10 YR TREASURY (CBOT) \$100,000 pria- pis & 32nds of 100 pci Jun 99 114-31 314-16 114-31 + 14 511,248 Sep 99 114-15 114-02 114-15 + 14 10,507

Est. sales N.A. Mans sales 208.205 Mons open int 534.217, att 91,693

LONG GILT (LIFFE)

FEEDER CATTLE (CMERQ 50.000 lbs. conts per lb. Apr 99 72.35 71.75 71.77 +0.05 May 99 72.40 71.85 72.25 +0.35 Aug 99 72.40 71.85 72.25 +0.35 Aug 99 72.40 74.95 74.40 74.90 +0.35 Cd 99 75.35 74.95 72.00 +0.33 Nay 99 76.15 72.95 72.00 +0.38 Est. sriets. L307 May 90 81.11 81 81.37 May 90 81.11 81 81.37 May 90 81.11 81 HOGS-Leam (CMER) 40,000 lbs.-Cent's per lb. Apr 99 42,30 41.05 41.19 Jun 99 53,40 51.00 52,07 Jul 99 53,00 56,05 55,37 Oct 99 54,40 51,80 54,22

PORK BELLIES (CMER) 40,000 Rs. - conts per lb. Mor 99 S1.55 S1.20 S1.20 Jul 99 S1.25 S1.20 S1.47 Aug 99 S2.75 S0.05 S0.27 Est. soles 1,297 Morts soles 973 Morts open int 4,74%, up 73

May 99 95.05 95.03 95.05 +0.01 10,450 Jun 90 95.04 95.04 95.04 4.011 2,038

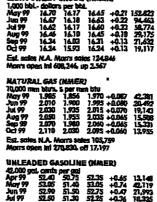
BRITISH POUND (CÁLFE) CAMADIAN DOLLAR (CMER) 100,000 doders S per Cés. dr Jun 97 . 4617 . 4599 . 4617 - 0.0071 . 50,829 56.9 97 . 4616 . 4613 . 4616 - 0.0006 . 2,351 Ner 00 . 4630 . 4630 . 4630 - 0.0008 . 270

JAPANESE YEN (CMER) SWISS FRANC (CMER)

MEXICAN PESO (CMER)
500,000 pesos, 5 per paso
Jun 79 . 10140 . 10100 . 10120 . 00012 16,816
5ep 99 . 09700 . 0970 . 0980 . 00027 2,402
Dec 99 . 09280 . 09280 . 09280 . 00010 841

US TREASURY BONDS (CBOT) \$ pcf-\$100,000-pts & 32nds of 100 pcf) Jun 97 121-04 120-03 121-04 + 31 590,364 Sep 99 120-20 119-36 120-30 + 30 28,721 3-MONTH EURIBOR (MATIF)
euro I million - plu of 100 pct
Nm 97 97.18 97.15 97.17 + 0.02 40.297
Sep 99 97.21 97.17 97.20 + 0.03 30,173
Dec 99 96.99 96.97 96.97 + 0.02 14.708
Mar 00 97.13 97.08 97.12 + 0.04 7,164 Est. sales: 11,660 Open int : 105,556 up 212 IMBion - ph of 100 pcs N.T. N.T. 97:05 +0.025 N.T. N.T. 97:16 +0.025 97:10 97:16 97:175 +0.026 97:10 97:16 97:175 +0.026 N.T. N.T. 96.90 +0.025 N.T. N.T. 96.90 +0.025 96-60 96-60 96-60 +0.050 10-YEAR FRENCH GOV. BONDS (MATTIF) excit00,000 -pts of 100 sec | HT000399 bz: 4229 dens Ht100099-bd || Jun 99 94.00 94.31 94.55 + 0.13 80.907 Sep 99 N.T. N.T. 94.44 + 0.13 0 3-MCNTH SWISS FRANC (LIFFE) SF 1 million - ms of 100 or 1

Industrials



Api 99 122.75 130.00 130.50 +0.50 21,962 May 99 131.50 128.75 129.50 +1.00 34.592 407.97 130.75 128.75 129.00 +1.25 22,250 Jly 99 131.50 130.00 130.25 +1.50 9,932

U.S. doffurs per berrel - lota of 1,000 berrels.

Moy 97 14.85 14.46 14.81 +9.23 74.716
Jun 97 14.77 14.44 14.81 +9.23 74.29
July 97 14.74 14.41 14.72 +9.29 78.129
Aug 97 14.55 14.30 14.46 +9.38 7,9.62
Sep 99 14.55 14.30 14.42 +9.27 7,718
Est. soles: 47.900 . Prev. soles : 58.777
Prev. open latt. 301.222 up 449 FTSE 100 (LIPPE)

CAC 40 (MATIF)
euro 10 per Index point
Mar 99 4190.0 4727-5 4152.0 -- 5.00 87,701
Apr 99 4196.5 4142.0 4152.5 -- 4.50 80,508
Jun 99 4138.0 4102.0 4112.5 -- 5.00 33,508
540 99 4161.0 4122.0 4132.0 -- 5.00 33,885 Est. Scies: 179,726 Open Int.: 244,843 up 17,652 1.181.30 r.a. 85.82 192.42

GAZETA: Thriving on Values Continued from Page 11

The newspaper's regional strategy wins high marks from advertisers. Ewa Kaminska, associate media director at the advertising agency Euro RSCG Poland, said: "The local supplements were very smart because the Polish market is very locally oriented. Our clients like first the reach - they are quite mass but they are also upmarket - and second the very good editorial and technical quality. They give credibility to

advertising."
Gazeta's ad sales are two to three times those of its nearest competitor, the former Communist government newspaper Rzeczpospolita (Republic), a business and politics broadsheet, and Super Express, a downmarket tabloid.

Today's Gazeta can hold up to 200 pages, including a 48page main news and commentary section, and the launch next month of a new women's magazine supplement, "High Heels," should bring the Friday edition to 300 pages.

Sales hit an estimated 538 million zloty (\$135.2 million) last year, and pretax earnings reached 133 million zloty. Estimates for 1999 put sales at 677 million zloty and pretax. earnings at 230 million zloty, with a projected net profit of 120

Trading is due to begin in Warsaw next month, but London-based clobal depository receipts are already changing hands

based global depositary receipts are already changing hands.
Pawel Lubecki, an analyst at Erste Bank in Warsaw, said investors seemed to like Agora because it was the first new listing in Central Europe of a company in the fast-growing media business.

He credited its American-educated chief executive, Wanda Rapaczinski, for turning Agora into a tightly run company, one of the most transparent in Poland. She wants to use the cash raised from the stock sale to build new printing plants.

INTEREST RATES

Tuesday, March 30

Government Debt 2-year 4.772 2.895 2.892 2.999 0.255 2.893 4.524 4.169 4.046 4.301 1.74 4.302 2.87 2.50 2.85 2.88 2.79 2.47 0.10 2.85 5-year 98-20 5.96 10 year 96-19 5.20

United States Yield Price Money Market Rates 0.50 0.03 0.25 0.25 0.25 0.50 0.04 6.15 9.18 0.21 Euro zone
Repo rate
EONIA
Euriber 1-menti
Euriber 3-marzi
Euriber 6-menti
Euriber 12-menti menth wouth manth menth 43388 5.00 5.0616 5.2802 2.9985 2.9906 2.999 2.9786 5.4208 5.3266 5.2538 5.25 0.1822 0.1899 0.215 0.2463 1.2017 1.25 1.2875 1.4431 Dellar Eure Sterling Yes Sw Franc Forward Rates **Gold Fixings** 30 day 60 day 70 day 1.6104 1.6091 1.6079 1.5145 1.5147 1.5147 1.07450 1.07810 280.05

EUROPE

Saudis to Keep Foreign Oil Companies at Bay

By Youssef M. Ibrahim New York Tones News Service

VIENNA -- Greater foreign access to Saudi Arabian petroleum, the dream of oil companies and a goal of the Clinton administration, has now

said after a new OPEC agreement was reached. the right to invest and own a share of what they That agreement, aimed at raising prices by find in new oil. reducing production, was essentially negotiated by Saudi Arabia, which owns the world's by Saudi Arabia, which owns the world's biggest pool of oil. The Gulf country, long suspicious of foreigners has no dariny, long member Organization of Petroleum Exporting meeting, he invited American companies to suspicious of foreigners, has no desire to let to reduce the supply, the Saudi officials said.

'Inviting foreign companies to come in and look for more oil does not make sense," said a of current production, from world markets. senior Saudi official, speaking on condition of anonymity, "Forget it."

consumer of oil, which has long been eager to secure a permanent foothold in this huge and accessible source of supply. Until last week, optimism had been rising that the Saudis would at last allow U.S. oil companies to explore and drill for oil in their country.

American influence was prominent in the unprecedented meeting held last October in Washington between Crown Prince Abdullah Algeria, Venezuela a ibn Abdulaziz, who has been administering for more foreign capital, and have expressed Saudi Arabia for the ailing King Fahd, and chief willingness to give foreign oil companies an Saudi Arabia for the ailing King Fahd, and chief willingness to give foreign oil companies an executives of at least seven major oil compaownership stake in their resources, the so-called been put on indefinite hold, senior Saudi officials nies. At that meeting, the companies lobbied for upstream end of the business.

But that possibility was effectively eliminforeign companies find more oil when its goal is important producers outside the bloc — Norway, Mexico, Russia and Oman — to withhold other uses. a total of 2.1 million barrels a day, or 3 percent

Of the total cuts, Saudi Arabia's share is The Saudi position represents a setback in particular for the United States, the leading pump as much as 10.5 million barrels of oil a 585,000 barrels, or more than 25 percent. This pump as much as 10.5 million barrels of oil a · OPEC meeting.

day, will pump 7.4 million barrels.

The lure of Saudi oil is that it dwarfs every

Saudi Arabia's position runs some risk that rival producers in and out of OPEC will see an estimated at 260 billion barrels, Saudi Arabia opportunity to develop fields using Western represents the biggest prize to a multinational help and enhance their own ability to increase company eager for secure, inexpensive and production at will, diminishing Saudi power to accessible oil

Major producers, including Iran, Libya, Iraq, Algeria, Venezuela and Kuwait, are pressing

That may partly explain why Ali Naimi, the Saudi oil minister, has been careful not to shut the door entirely to foreign companies. Speak-Countries, meeting in Vienna, agreed with four contribute ideas on how to develop Saudi natural gas for the generating of electricity and

> "Those who help Saudi Arabia expand its industrial base today will probably be the ones that will be involved when — and if — the upstream is available for investment," Mr. Naimi said in comments to reporters during the

other country's offering. With fabled reserves

Algroup said the merger should be based on an originally agreed VIAG-Algroup valuation of 65

Reports that the deal was on the rocks began

Algroup, announced his resignation, saying he no

(AP, Bloomberg)

percent to 35 percent.

European companies. Telecommu-Paris nication combinations, such as Olivetti SpA's hostile bid for Tele-Stockholm com Italia SpA, were a close second

"There's been a pan-European revolution, as boards have become more conscious of this elusive thing called shareholder value," said Charles Alexander, head of European mergers and acquisitions at N.M. Rothschild & Sons Ltd. in London. The single currency has been a

Mergers

Hit Record

In Europe

Bloomberg News

LONDON -- The value of Euro-

pean mergers and takeovers hit a

record \$284 billion in the first

quarter, according to preliminary data, as the launching of the euro

brought greater scrutiny of corporate

performance by investors and forced

executives to work harder than ever

Banking transactions, such as

Banco Santander SA's bid for

Banco Central Hispano SA, led the

way, accounting for the greatest per-

centage of merger activity between

as those companies looked to new

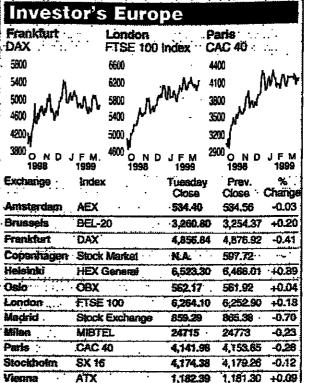
high-growth markets.

to boost shareholder returns.

"lubricant" to that process, he said. The euro's debut in January has allowed investors to pick and choose stocks in 11 nations without currency risks, freeing them to focus more than ever before on corporate management, strategy and profitabnies to improve returns in their core businesses, sell others and consider mergers with rivals.

The value of announced deals involving European targets and bidders rose to about \$284 billion in the first quarter from \$113 billion a year earlier, according to preliminary figures from Securities Data Corp. Mergers involving a European company as buyer or seller totaled \$413 bil-lion, up from \$157 billion in the same

period of 1998. Acquisitions and combinations involving European companies accounted for 41 percent of those worldwide, according to Securities Data, a unit of Thomson Financial. Not since the third quarter of 1992 have European deals made up that high a percentage.



Very briefly:

 Bayerische Motoren Werke AG, the German carmaker, posted a 5.1 percent drop in first-quarter sales, to 280,000 units, as weak sales by Rover Group offset strong demand for BMW-brand luxury cars and Land Rover vehicles.

4.481.86 4.513.20 -0.69

· Highland Distillers PLC, the Scotch whisky maker, announced a sales and distribution joint venture with Remy Cointreau of France and Jim Beam of the United States.

 British Telecommunications PLC will scrap the charge to reconnect residential phones and will cut installation costs on April 1 in a bid to win back customers from rivals.

• The Czech Republic's central bank plans to lower mandatory minimum reserves for commercial banks to 2 percent from 5 percent, probably later this year.

• France may call for a ban on financial operations by offshore banking and tax havens if they do not cooperate with international efforts to fight money laundering.

• DPA Holding NV, a Dutch staffing company, dropped almost 4 percent to 12.25 euros (\$13.15) on its first day of trading on the Amsterdam Exchange's New Market.

• German producer prices fell 0.1 percent in February, raising expectations the European Central Bank will cut interest rates as the German economy slows.

• Matra Marconi Space signed a contract worth 60 million euros with the European Space Agency to develop the first European satellite to explore Mars.

• Manchester United PLC's first-half net income fell 29 percent to £7.9 million (\$12.8 million) because of the British soccer club's declining merchandising revenue and higher operating expenses. Blevmberg, AFP, Renters

High Law Close Prev.

Algroup and VIAG Call a Halt to Merger Talks

ZURICH - Alusuisse-Lonza Ltd. (Algroup) and VIAG AG, a German industrial concern, have called off talks on a planned \$8.7 billion merger after the companies could not agree on terms, but Algroup said Tuesday it would continue to seek other partners.

The merger, which was announced in November, was abandoned over a disagreement about a continue to strengthen its industrial units. It also longer wanted to be involved in the merger talks. ility. That has forced many compashare-swap arrangement that was considered un-

VW to Offer Cheaper Beetle

Agence France-Presse FRANKFURT - Volkswagen AG plans to offer a cheaper version of its New Beetle because German sales of the introductory model have been sluggish, the carmaker's chairman, Ferdinand Piech, said in a newspaper interview published

Referring to the new model, Mr. Piech told the Braunschweiger Zeitung: "We've let ourselves be taken in by the enthusiasm in America. That was a mistake." The situation in the United States "cannot be transferred to Germany," he said.

According to the newspaper, the revised version of the New Beetle will cost substantially less than 30,000 Deutsche marks (\$16,660). The current basic model costs around 35,000 DM.

acceptable by Algroup's major shareholders.

Sergio Marchionne, the chief executive of Al
would give its shareholders 67.5 percent of the new company, compared with Algroup's 32.5 percent. group, said: "The deal is dead. We spent a huge amount of time and effort, and everyone is tired." He added that the "motivation that supported a merger is still there."

Separately, VIAG did not rule out possible Sunday when Theodor Tschopp, president of joint ventures with Algroup and said it would said it had no plans to make major purchases.

Investors in VIAG seemed to welcome the cancellation of the merger, which would have created a diversified company with annual sales of \$29 billion and interests ranging from mobile phones to cigarette packs. About 2,500 jobs would have been lost, or about 2 percent of the combined work force of 127,000.

Algroup's shares fell 28 euros (\$30) to close at 1,632 euros, but VIAG shares rose 1.60 euros to

close at 514.20 euros.

The companies will share the 20 million Swiss franc (\$13.4 million) cost of the aborted negotiations. Mr. Marchionne said. Martin Ebner, who owns a 22 percent stake in

of Algroup shareholders and that he and other shareholders were not prepared to accept it. VIAG said late Monday that it had given up

Blownberg News BRUSSELS - AT&T Corp. and British Telecommunications PLC won European Union ap-

EU Approves BT-AT&T Link

proval Tuesday for a planned joint venture after AT&T agreed to loosen its ties with Telewest Communications PLC and sell a British longdistance unit. It will also sell its stake in a German phone venture. The BT and AT&T venture will provide voice,

data and Internet services to multinational busi-Algroup, said VIAG's offer was not in the interest nesses, to compete against rivals including MCI WorldCom Inc. and the Global One alliance between Deutsche Telekom AG, France Telecom SA and Sprint Corp. Sales of \$10 billion are plans to merge with Algroup and that it would not expected the first year. The companies still need deviate from its valuation of the merger, which approval from U.S. regulators.

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Market Closed The Istanbul stock market was closed Tuesday for a hol-

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The wide-ranging package — worth about \$3.5 billion —includes tax cuts, new government spending and a reduction of electricity and energy prices.

The cuts are projected to reduce

state revenue by between 53 billion baht and 78 billion baht (\$1.41 billion and \$2.07 billion), or about 9 percent of this year's budget.

But analysts said that more than a Japanese-style stimulus would be required to restore the moribund economy to growth.

This package will help stop the spreading rot, but it won't cure the economy any time soon," said Peter Redhead, head of research at ING Barings in Bangkok, "The priorities for recovery remain the sorting out of bad corporate debt and the recapitalization of the banks,"

nomic advisor to Thailand's prime minister, said the package, financed World Bank, is intended to encour- at least positive," age domestic demand, reduce unemployment and increase confidence in corporate Thailand.

Now, many banks frightened to lend money to businesses that need the support to survive." Ms. Arporn said. "If this Crosby Securities. package can get everything moving again, we could see the economy grow by one percent this year." Many private economists predict that Thailand's gross domestic product, which contracted 8 percent

in 1998, will not grow this year. On Tuesday. Thailand's central bank released statistics showing an increase of imports and manufacturing output, a sign that the economy

may be bottoming, analysts said.



Arpom Chewakrengkrai, eco- Mr. Nimmanahaeminda, left, and Industry Minister Suwat Liptapallop at a press conference.

down yet," Mr. Redhead said. "But falling commodity prices. with loans from Japan and the these numbers show the direction is

> As the economic difficulties persist, the government of Prime Minister Chuan Leekpai will face growing political pressure, despite praise for its reform agenda, said Sriyan Pietersz, chief strategist at SocGen

> While the government recently pushed a set of economic reforms through Parliament, the slow pace of recovery has increased tensions among the eight members of the ruling coalition as middle-class confidence erodes and economic pain hits the country's rural hinterland.

Buoyed last year by record agricultural exports, Thailand's farmers, a constituency that accounts for the majority of the country's work- percent of GDP this year. "I would not start jumping up and force and voters, now face sharply

■ IMF Loosens Requirements

The tax rollbacks represent a 180-degree turn from Thailand's policy in late 1997, when the International Monetary Fund arranged a \$17.2 billion emergency credit package, Bloomberg News reported from Bangkok_

At the time, Thailand — with prodding from the IMF — raised taxes and interest rates to discourage consumer purchases. That included an increase in the value-added tax to 10 percent from 7 percent.

Another original term of the debtaid program required that the government have a budget surplus in 1999. The new policies allow Thailand to post a budget deficit of 6

The 1997 measures helped trigger

Thailand Unveils \$3.5 Billion Stimulus Package Trade Gap Widens in Australia

SYDNEY - The trade deficit unexpectedly widened to a record in February, the government announced Tuesday, as Australia continued to spend on imports.

The trade balance on goods and

services grew to 1.5 billion Australian dollars (\$952.5 million), an increase of 166 million dollars from January, the statistics bureau said.

Exports rose 1 percent, to 9.1 billion dollars, mainly because of overseas sales of Australian services, while imports grew 2 percent, to 10.6 billion dollars, because of a rise in purchases of goods such as food, beverages, household appliances, clothing, shoes, toys and books.

The result was much worse than many had expected. Economists had predicted that firmer exports combined with weaker imports would improve the trade balance.

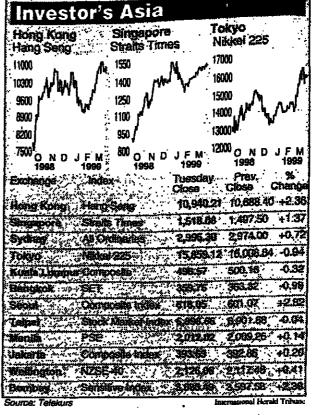
But the government said the cur-rent-account deficit was in line with Thailand's worst recession in a generation, and with every quarterly review of the IMF program since, the strings on spending have been loosened. The IMF predicts the its forecasts. Treasurer Peter Costello said, "This is the kind of result you would expect if export prices are at 20-year lows."

economy will rebound to a 1 percent Analysts said the numbers would fuel concerns that the current account 'The measures will not be the deficit would swell and that interest government's last move to fix the rates would remain at present levels.

ailing economy," said Finance Minister Tarrin Nimmanahae-Annette Beacher, a senior economist at Citibank Ltd., said: "This minda. "There remain other urgent guarantees that the current-account deficit will top 6 percent of GDP, a problems that need to be fixed, such figure that's been haunting us since Asia's impact took hold," adding The tax cuts "are one piece of a that it would also "be taken as a sign that interest rates are on hold." The broader package needed to have a major impact on the economy," said Ron Frizzell, president of General Motors Thailand Ltd. "It's a good current-account deficit widened to 5 percent of gross domestic product in the fourth quarter of 1998. step, but will be more beneficial to

The run of deficits mirrors the recession in many East Asian countries, which has deprived Australian exporters of some of their biggest markets. Exports to the top 10 Asian destinations slid 8 percent in the eight months through February from a year earlier. South Korea, the No. 3 export market, suffered its worst recession ever last year, and Japan, Australia's biggest market, is bogged in its worst recession in 50 years.

At the same time, commodity prices have fallen to their lowest since the early 1970s. Commodities comprise about 60 percent of Australian exports, about the same percentage that headed to East Asia before the financial crisis erupted in (AFP. Bloomherg)



Very briefly:

• Hyundai and Daewoo groups plan to cut debt without revaluing assets, bowing to government demands that they forsake paper gains or face a loss of fresh credit.

• Nippon Telegraph & Telephone Corp. offered to beat Cable & Wireless PLC's bid of 100,000 yen (\$831) a share for International Digital Communications Inc. The new offering price was not disclosed.

•Matsushita Electric Industrial Co. will stop producing dynamic random-access memory chips for personal computers. • Long-Term Credit Bank of Japan Ltd. had 2.65 trillion yen (\$22.05 billion) more in liabilities than assets when it was seized by the government last October, more than eight times

the amount that regulators estimated last year. Bad loans for the Philippines' 52 commercial banks rose to about 12.1 percent of the industry total at the end of January, compared with 10.4 percent in December.

• Hutchison Whampoa Ltd. will pay \$243 million for a 51 percent stake in a joint venture to operate Jakarta's two main container ports for the next 20 years.

Seoul Account Surplus Widens

SEOUL — South Korea's current-account surplus widened 23 percent in February from January, with companies importing less raw material and equipment as the economy bottomed out, the Bank of Korea reported Tuesday.

The current account, the broadest measure of the flow of goods, services and money, posted a \$2.34 billion surplus in the month on an international payment balance basis, up from a \$1.91 billion surplus in January, the central bank said. It was the 16th surplus in a row.

The Commerce, Industry and Energy Ministry expects the current-account surplus to fall to \$20 billion this year from \$40 billion last year. It is expected to shrink more as imports (Bloamberg, AFP) rebound.

ANA Says Its Loss for Year Will Be Twice the Forecast

TOKYO — All Nippon Airways Co. will report a loss for the year

ANA spokesman said Tuesday. The airline will post an operating

man, who declined to be identified. Sales are estimated at 900 billion ending Wednesday that is double yen, down I percent from last year what the airline had forecast, an and 2 percent below forecast.

Japan's three major airlines -ANA, the largest domestic carrier: loss, the first in 17 years, of about 11 Japan Air Lines Co., the largest, and billion yen (\$91.5 million), more Japan Air System Co. — have all than double the 5 billion yen loss been losing money, in part because on its most lucrative routes — be- yen, up 6.

The nation's worst postwar recession has also sapped demand for leisure and business trips, reducing

ANA said it had lost passengers

that was forecast, said the spokes- they have cut fares to fend off com- tween Tokyo and Fukuoka in southpetition from domestic discount car- em Japan and Tokyo and Sapporo in riers and foreign airlines with lower northern Japan - since new discount airlines began flying the same

as the recapitalization of banks."

selling soap or toothpaste" than big-

ticket items such as cars or tele-

gain in 1999.

For the year starting in April, the airline is forecasting a small increase in pretax profit and flat sales. ANA shares closed Tuesday at 396 (Bloomherg, AFP) 1997,

CHINA: Difficult Issues Remain in WTO Talks, U.S. Officials Say

Continued from Page 1

American farm goods; the ability of banks, insurance companies and telecommunications companies to operate inside China, and access for industrial products.

The main negotiator on Ms. Barshefsky's staff, Robert Cassidy, will stay on for "a couple of days," the official said, and then talks are expected to continue

later in Washington.

Commerce Secretary William Daley, who is in China on a trade mission, said Tuesday that while "very serious problems' remained in the negotiations, he was confident that agreement could still be reached by this fall. If China has not entered the WTO by then — when the organization will start a new round of global negotiations to redefine its rules - China's accession may be delayed for years, experts say.

The Chinese want the status that

membership in the trade body would bring them, and they want the protections for their own exports that membership would also bring. But with rising unemployment and social unrest at home, and inefficient domestic industries already reeling, they have been reluctant to slash tariffs and other protective measures as quickly as Western countries demand.

The Clinton administration, under pressure from industry and a Congress increasingly suspicious of China, says it can only agree to "commercially viterms of entry.

While China's accession to the trade organization requires the consent of many countries, satisfying the United States is the most crucial step. The United States is concerned about a grow-American exports. At the same time, many American companies have also been trustrated by rules that severely limit their ability to invest or operate.

U.S. negotiators are also aware that, perhaps to an unusual degree, the suc-



Trade Representative Charlene Barshefsky meeting with Prime Minister Zhu Rongji in Beijing on Tuesday to discuss WTO membership.

strong support of American business. As anti-China sentiment rises in Congress, officials privately admit, no agreement can survive without enthusiastic corporate support and lobbying. Congress does not formally need to approve an agreement with China. But it would be required to rescind the law requiring annual renewal of China's

"most-favored nation" status. Specific details of negotiations were ing trade deficit with China, estimated at not released Tuesday, but some of the \$57 billion last year, and officials believe major American goals and areas of disthat lower tariffs in China would bolster pute have been described by American and Chinese officials and affected in-

dustries. Some of the toughest issues involve agricultural products. In addition to high tariffs, China has kept out wheat because cess of an agreement depends on the States says are unwarranted, and citrus broad opening that has never come.

because of fears of a med-fly invasion.

cessions will be difficult.

Mr. Daley said Tuesday that some of the biggest problems in the talks involved financial services such as in-

tential in China for managing pensions as well as offering life, casualty, property, medical and other forms of insurance. Some 20 American companies already

American officials say a lack of major progress on farm products will be a deal-breaker. But for several reasons, Chinese experts say — including con-cerns about food self-sufficiency and especially about the welfare of the country's restive farmers, who could lose out to cheap grain imports - major con-

surance and banking.

The insurance industry sees a vast po-

of fears of plant disease that the United maintain offices in Beijing, awaiting a

JAPAN: Grim New Economic Data Raise Doubt About Recovery

Continued from Page 1

2.000 by the end of January 2004.

Mr. Miyazawa, the finance minister, conceded, "We know for sure that corporate earnings remain weak and that labor market conditions remain poor. These are problematic."

Mr. Sakaiya, the economic planning chief, warned that the economy could "deteriorate near-term" once again. But he said that the data released Tuesday also reflected technical factors such as

fewer working days in the month. Amid the worsening jobs situation, the Labor Ministry reported separately that spending by Japanese wage earners' households fell 4.1 percent in real terms in February from a year earlier, to an average of 303,264 yen (\$2,524).

Consumers spent just 67.8 percent of ment has earmarked \$682.5 billion in the lowest "propensity to consume" ratio measures. since the government began releasing the data on a seasonally adjusted basis in

1970, the ministry said. Mr. Miyazawa acknowledged that unemployment was likely to worsen be- ulative bubble in the early 1990s. cause it is a "lagging" indicator of the economy. Some analysts said they were

not surprised by the new data. "It's certainly consistent with the mend over the next couple of years. weakness we're seeing in the Japanese economy, particularly in private de- lished a survey of 112 company presmand, said Cameron Umetsu, senior idents on Tuesday, showing that nearly strategist at Warburg Dillon Read Japan 90 percent believe a turnaround should

underlying conditions deteriorate."

To fight the recession, the govern-

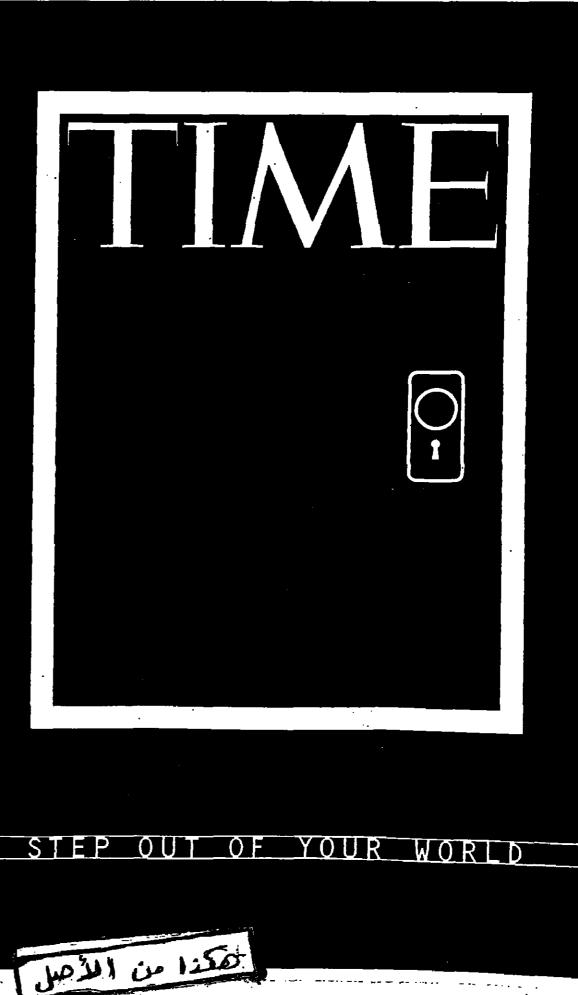
their disposable income, down from 1999-2000 budget for public works 70.9 percent in January and marking the spending, tax cuts and other stimulus Officials are also spending \$62.5 billion to bail out the country's troubled

> bad debt from the collapse of a spec-Despite the disheartening numbers, many in Japan still believe the economy has hit bottom and should be on the

banks, which are saddled with loads of

The daily Nihon Keizai Shimbun pub-90 percent believe a turnaround should Ltd. "It promises to get even worse as come before the end of 1999. The newspaper gave no margin of error,

(AFP, AP, Bloomberg, Reuters)



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At Dow's High Altitude, Some Find the Market Short of Breadth

By Gretchen Morgenson New York Times Service

NEW YORK - Although the Dow Jones industrial average's closing above 10,000 points was little more than a psychological hurdle for investors, the market's move is significant in what it reflects: the unparalleled strength of the U.S. economy and American corporations' strength on the world stage.

After nearly two weeks of thrust and parry, U.S. stock traders pushed the industrial average above 10,000 Monday and kept it there until the end of the day's trading. The 30-stock benchmark indicator closed at 10,006.78, up 184.54 points, or 1.9 percent.

One fact that the average reflects is that American companies are earning more and more of the world's profits. "Back in 1990, the U.S.'s share was 36 percent; last year, it was 44 percent," said Jeffrey Applegate, chief investment strategist at Lehman Brothers Holdings Inc. in New York. That goes a long way toward explaining why U.S. equities have had such exemplary performance.

The Dow now has doubled in less than

tenfold since late 1982.

"The market's ability to sustain itself through all sorts of climates and economic conditions - inflation/deflation. S&P's return by 15 percent or more. On growth/lack of growth - has been impressive. Said Laszlo Birinyi, president of Birinyi & Associates Inc. in Green-their peaks, while 88 percent of the wich, Connecticut, and global trading stocks on the New York Stock Exchange consultant for Germany's Deutsche

A lurking concern, however, is just how narrow the market's advance has

A growing portion of Americans' money is devoted to the 30 well-known companies in the Dow and the stocks in which also is near its record high. But many portfolios have not matched the performance of the Dow and the S&P. because a relatively small number of stocks has been pulling the indexes higher. The winners have been many of the best-known stocks, household names such as General Electric Co., American Express Co. and Wal-Mart Stores Inc. The number of stocks that are down

four years, having reached 5,000 points significantly in the broad market far valuation of the Thai baht in July 1997 ket's influence on the American psyche in November 1995, and is up nearly outpaces the number that are at their

> Fully 76.4 percent of all stocks traded the Nasdaq, 93 percent of stocks now fetch prices 10 percent or more below fall into this category. Among the S&P stocks, three out of four are at least 10 percent off their highs.

According to statisticians at Salomon Smith Barney Inc., the stocks in the S&P 500 index were on average 22.6 percent off their highs as of Friday, while the New York Stock Exchange issues were the Standard & Poor's Corp. 500 index, on average 33.4 percent below their peaks. Revealing how concentrated this rally has been among big stocks with household names, the Nasday stocks are on average 41.8 percent lower than their peaks. These include many of the hot wide. Because the U.S. economy is aliechnology and Internet stocks so pop-

ular among investors. been free of potholes. The financial to take advantage of the good times. crisis that began in Asia with the de-

and migrated to Russia last summer and surely is at a high. An estimated 45 then to Brazil late in the year gave stock- percent of U.S. households own equities. market investors their first taste of sigin the United States are trailing the nificant losses in eight years. But three cuts in interest rates by the Federal Reserve Board turned stocks around last

autumn, and they have not turned back. Meanwhile, economic problems still simmer overseas: Fourth-quarter data from Japan. Germany and much of Latin America show gross domestic product fulling there. Indeed, despite the strength of the U.S. economy, the Group of Seven industrialized nations is expected to show economic growth slowing to a 2.6 percent annualized rate in the fourth quarter of 1998, well below the 4.3 percent generated by these nations in the comparable period in 1997.

But difficulties abroad have only served to make the U.S. stock market more of a haven for investors worldmost alone in experiencing a boom right now, stocks of big American companies Neither has the road to Dow 10,000 are viewed as the best way for investors ment officer of BankBoston Corp. He

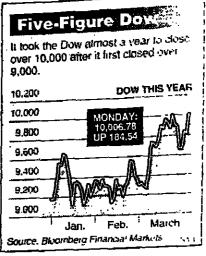
This much is certain: The stock mar-

up from about 14 percent in 1980.

And Americans with have been in the market during the 1900s have been riding a superpowered engine of wealthcreation. Over the pist decade, according to the Federal Reserve System, the value of stocks heldby U.S. households has risen 381 percent, before inflation. The value of stocks held by American households rose to \$10.77 trillion last year and represented 25 percent of total household assets, ap from 8 percent 15

Declining interest rates, low inflation. increasing productivity as a result of advancements in echnology - all have helped propel American corporations to new levels of efficiency and the major market averages to levels that are lofty

The lower ate structure has clearly been the majority of strength in the mar-ket," said Ned Riley Jr., chief investargues that lover rates account for 80 percent of the leturn in the stock market er stocks from which to choose.



this decade. "Only 20 percent was the result of expanding earnings." he said. But interest rates would never have

fallen had inflation not dwindled. Other factors behind the push to Dow 10,000 include an increase in the nation's money supply, falling commodity prices and a recent and large decline in total shares outstanding in the market. In the fourth quarter of last year, for example, the value of shares outstanding shrank by \$178 billion, meaning investors had few

This Time, Military Conflict Isn't Bolstering Defense Shares

By Tim Smart Washington Post Service

WASHINGTON - Since the come to expect instant gratification from military action, both on the bat-

tlefield and in their stock portfolios. Shares of the biggest U.S. defense contractors typically have rallied whenever cruise missiles and F-16 fighter jets took to the skies in televised battles. Soon after bombs began falling in Iraq. Bosnia and now Yugoslavia, the stock prices of Boeing Co., Raytheon Co. and Gen-

eral Dynamics Corp. moved up. Last week, General Dynamics led the defense gainers, posting a 2.73 percent rise in its stock price Wednesday, the day of the initial bombing raids. It was followed by Raytheon, up 1.8 percent for the day; looking at this as perhaps more Lockheed Martin Corp. of Beth- open-ended and difficult.

ART SALVERA VILLENS PROGRESS AND SERVENS SERVENS AND S

esda, up 0.97 percent; Boeing, up 0.55 percent; and Northrop Grumman Corp., up 0.2 percent.

But the run-up was short-lived. 1991 Gulf War. Americans have with most defense stocks backing off later in the week. Only Raytheon and General Dynamics have held on to their gains: Raytheon closed Monday at \$57.75, down \$0.19. while General Dynamics closed at \$64.75, up \$2, as the Dow ended the

day above 10,000. Some Wall Street observers believe this fickle mood for defense stocks might reflect concerns that the action in Kosovo will not be the quick military fix that Americans have become conditioned to expect.

"The initial run-up has sort of faded," said Peter Aseritis, defense and aerospace analyst at Credit Suisse First Boston, "The market is

become the weapon of choice in the army, has not had a major role.

Indeed, the White House had to deny plans to send ground forces into action, despite reports of massive killing of ethnic Albanians in and around Kosovo.

warning after Yugoslavia downed an F-117A Nighthawk stealth fighter Saturday night. The Lockheed-built fighter, designed to offer little "signature" to enemy radar, may have been hit by one of the Serbs' Russian-built surface-to-air missiles or by machine-gun fire.

Similarly, although cruise mis-

Boeing is well represented in the siles made by both Raytheon and sequently, Lockheed may have to current attack, with its F-15 fighter Boeing have proved successful and air-launched cruise missile, against fixed targets inside Iraq and Raytheon's Tomahawk missile has now Yugoslavia, it remains to be seen whether high-tech weaponry Pentagon aerial assaults. General alone can dislodge intransigent lead-Dynamics, primarily a supplier of ers such as Saddam Hussein of Iraq submarines to the navy and tanks to and President Slobodan Milosevic

of Yugoslavia. The stock prices of big defense companies may also be responding to other forces, such as a restructuring at Raytheon that has garnered the enthusiasm of Wall Street. Gen-The market also may be sending a cral Dynamics' stock has been affected more by its bid for Newport News Shipbuilding Inc. than by the military campaign.

And Lockheed must grapple with much-publicized problems in its theater-wide anti-missile weapon. The ground-based interceptor failed to hit its target for the sixth con- come out of this war would have secutive time Sunday. Con- much effect on these stocks."

pay the government \$15 million in penalties, which will cut quarterly earnings.

Some analysts say the long-term benefit to investors will come not from a battlefield victory but rather from a change in attitude among politicians. Defense companies must persuade Congress to approve

higher military budgets, they say. You have to have a seachange, something that makes it look like we are going to spend more on defense than we are already assuming, 'said Paul Nisbet, an analyst with JSA Research Inc. in Newport, Rhode

"I think the major holders of these stocks are looking/for longterm value, he said. I don't think any events that would be likely to

Very briefly:

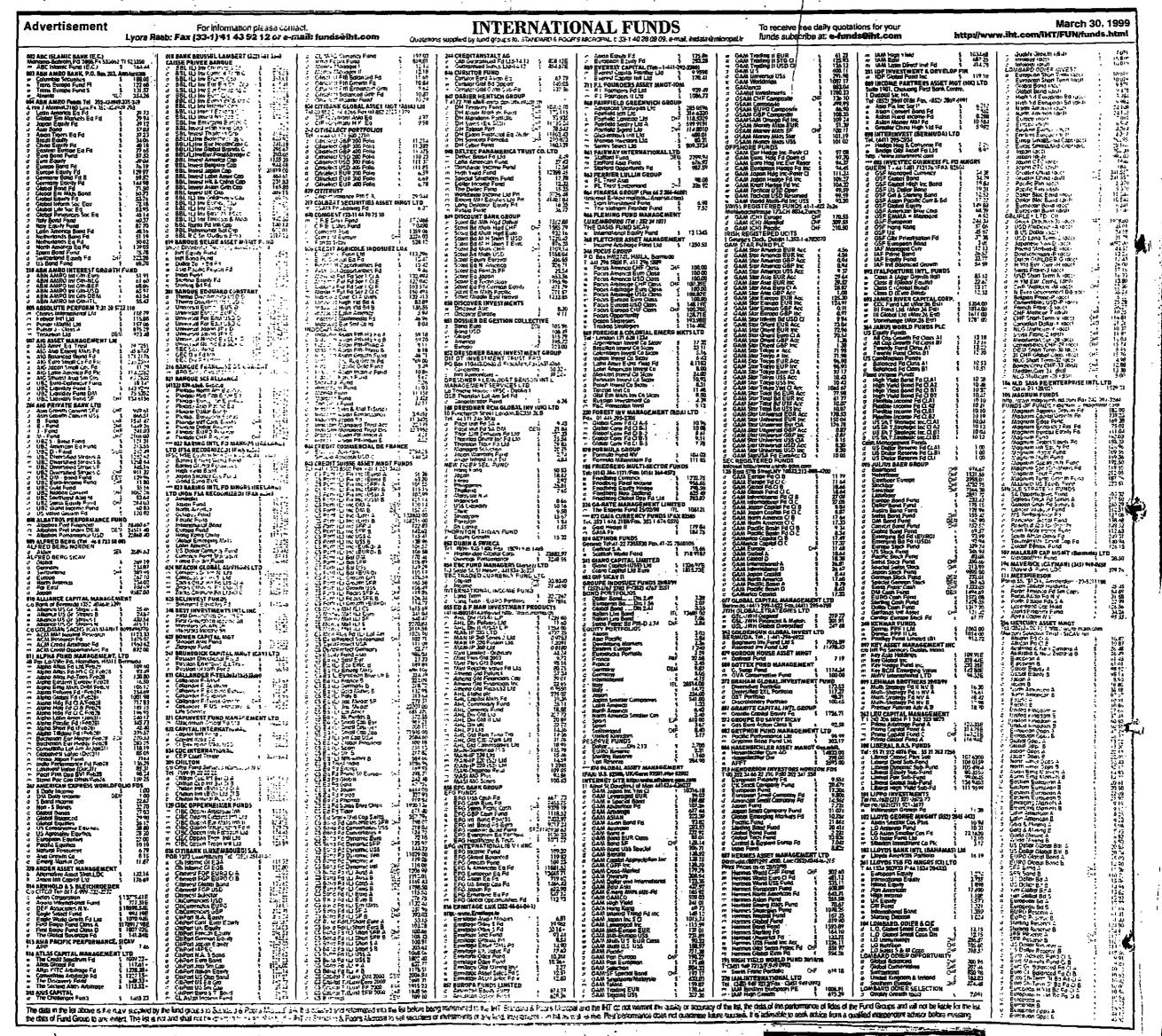
• Japan will introduce accounting rules Thursday that are designed to increase disclosure about investment losses and risky debt at companies' affiliates and subsidiaries. The changes will require a parent company to include all the companies it controls on its consolidated accounts and should make it easier for investors to accurately value Japanese companies.

 Hero AG, a Swiss food company controlled by the German jam maker Schwartauer Werke GmbH, plans to simplify its capital structure with the introduction of a single bearer share Hero aims to cancel the treasury stock it holds and replace the current bearer and registered shares with 5.151,600 bearer shares with a par value of 10 Swiss francs (\$6.72) each. Shareholders are to vote on the plan at a meeting April 27.

• The U.S. General Accounting Office warned that securities regulators may be ill equipped to stop an increasing number of fraudulent schemes that use the Internet to lure unsophisticated investors. The government auditors said that the Securities and Exchange Commission could reach a point where it will not have enough investigators to look into all credible allegations of Internet fraud.

• Taiwan raised its limit on foreign equity investment to 50 percent, making it easier for foreigners to buy controlling stakes in local companies and removing an obstacle to higher weightings for Taiwan in benchmark Asian equity indexes.
The change takes effect Wednesday.

Bloomber



INTERNATIONAL INVESTING

INTERNATIONAL HERALD TRIBUNE, WEDNESDAY, MARCH 31, 1999

PEC Israel Holders Protest the Planned Delisting of a Possible 'Gem'

By Joseph Kahn New York Times Service

NEW YORK - Even in a raging bull market, some New York Stock Exchange issues wallow in neglect. A few, like dusty antiques in the attic, turn out

to be gems.
PEC Israel Economic Corp., a holding company that has stakes in Israeli ventures, may be one such company. Management takes a low profile. Analysts ignore the company. The stock price has gone mostly downhill since the early 1990s. So forgotten is PEC that it is slated for extinction, with its largest shareholder preparing to buy up the remaining shares and delist it.

The delisting however, comes as several PEC investments, including a stake in Cellcom Israel Ltd., Israel's largest mobile-telephone operator, are scheduled to go public and capture a market value that analysts predict will greatly exceed the amount that PEC says they are worth.

Discount Investment Corp., a company controlled by the Recanati family of Israel, is the majority PEC shareholder that wants to privatize PEC. By doing so, it would not have to share any future gains in the marker value of PEC assets with other stockholders, disgruntled shareholders contend.

The offer to privatize PEC was made several months after Goldman, Sachs & Co., the investment bank, paid \$78 million for a 9.5 percent stake in the Israeli holding company that controls Discount Investment Goldman Sachs, jointly with Lehman Brothers, also happens to be a lead underwriter of Cellcom, which plans to list shares in the United States

Minority PEC shareholders have filed lawsuits to block the deal, contending that the offer substantially underestimates the value of the investments PEC has made over the years. Unless the suits prevail, the delisting is a done deal, because Discount Investment already holds an 80 percent stake in PEC. Shareholders were to vote on the proposal at a shareholder meeting Tuesday in New York.

Some shareholders see the demise of PEC as an ignominious end to a company founded in 1926 by Justice Louis Brandeis of the U.S. Supreme Court. He and other Zionists established the company to support Palestine when Jews there had difficulty raising money for even the most basic necessities.

In fact, until the Israeli stock market boom of the 1990s made it easier for Israeli companies to raise capital, PEC

was run as much as a charity as a corporation. Its stock is still widely held by Jews, who once regarded it as much as a donation as an investment.

"This company was never supposed to be about squeezing every last dime out of shareholders," said Murray Greenfield, a 72-year-old retired Israeli broker who sold PEC stock to Jewish visitors to Israel in the 1960s. "It was about building Israel. If Brandeis woke up today, he would not be the happiest man in the world, I can tell you that."

Discount Investment stock has been on a tear, with shares rising from less than 80 shekels, or about \$19, at the time it offered to buy the shares of PEC it did not already control last autumn to more than 140 shekels in recent days, an alltime high. PEC shares on the New York Stock Exchange, which closed Monday at \$29.6875, rose in December when Discount Investment made its \$30-ashare offer, but are still well below 1993

For more recent shareholders, PEC's privatization is a fresh lesson about the risks of investing in undervalued companies. Some investors said they snapped up PEC stock in recent years because the price fell far below the level at which analysts estimated the value of its underlying investments. These investors joy a run-up in the value of Israeli companies that went public after the 1993 peace accord with the Palestinians.

Like PEC, some investment holding companies trade at a discount to the book value of their underlying assets, especially when management is indifferent. But PEC's discount - more than 46 percent, according to an estimate made by an analyst at Lehman Brothers late last year — was large enough to make PEC a prime target for investors seeking the most undervalued companies on the U.S. stock market.

"The pity is that this is happening just as some of PEC's investments are just about to take off," said one large shareholder who declined to be identified because his company has legal action pending. Among the largest minority shareholders are mutual funds run by Credit Suisse Asset Management and Vanguard Group.

PEC's management team, which in-cludes two members of the Recanati family, declined to comment through a spokesman on the lawsuits or the buyout offer, citing Securities and Exchange Commission regulations that they say prohibit them from speaking publicly while the offer is pending. Goldman Sachs, which stands to benefit if the

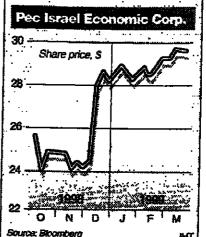
were hoping PEC would eventually en- Recanatis have their way at PEC, also declined to comment.

But in documents, the company says that the \$30-a-share purchase price for the PEC shares that Discount Investment does not already own is fair, pointing out that the price is 32 percent higher than what the shares were fetching before Discount Investment made a bid.

Late last year, PEC management hired Merrill Lynch & Co. to appraise its value. After Merrill's review, Discount Investment raised its bid to \$30 a share from \$25.50. Merrill called the \$30 price fair, a fact that PEC officials said validated the latest offer.

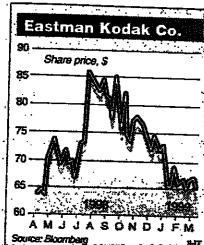
But some shareholders fault Merrill for collecting as much as \$625,000 from PEC in fees if the deal flies but failing to extract from PEC management the sort of information Merrill normally seeks to judge the fairness of a deal. Merrill acknowledged in its fairness opinion, for example, that it did not have access to the management of Cellcom, the mobile-phone operator that many consider to be the portfolio's hidden jewel.

"We have not been afforded the opportunity to meet with the management of Cellcom Israel, the company's largest single holding, and thus have not been able to discuss with such management the business prospects of



Cellcom," the Merrill review states. Israeli newspapers have reported that Cellcom plans to go public in the United States this year. Merrill Lynch and Goldman Sachs competed for the right to underwrite that company's shares, which are expected to generate considerable investor interest because of Cellcom's rapid growth and its status as the No. 1 provider of mobile-phone service in Israel, itself a leader in per-capita use of cellular telephones.

Investors Stand by Kodak After Company Opts for Candor in Earnings Forecasts



By Claudia H. Deutsch New York Times Service

NEW YORK - Eastman Kodak Co., about its first quarter, has turned up the

warned Monday that its first-quarter earnings would come in below many analysts' expectations but gave detailed, and much rosier, forecasts for the rest of the year.

Investors, who have time and again dumped Kodak's stock on the slightest whisper of negative news, broke with held firm, rising 37.5 cents to close at **\$**65.625.

worried that analysts were ignoring the for the year," said Jack Kelly, an analyst and retained "buy" recommendations informal cautions it had been sounding with Goldman, Sachs & Co. whose view on the stock. was widely echoed by other analysts.

tionally secretive company, Kodak ings would come in at \$4.81 to \$5.24 a an analyst with Prudential Securities Reshare, or 10 percent to 20 percent more than the \$4.37 a share it made last year. But it warned that the improvements would not show up immediately.

Specifically, Kodak predicted earnings of 73 cents to 80 cents a share for the first quarter, below the Wall Street contradition, too. Although several analysts sensus of 82 cents. But it said its secondlowered their first-quarter estimates quarter earnings would bounce back to after the announcement; Kodak's shares between \$1.50 and \$1.59 a share.

Although the news sent analysts draining copier business to Heidelberger Smith Barney. Kodak's new openness scrambling to adjust their own quarterly "I just don't think the lower first forecasts, most accepted Kodak's statequarter will have any bad implications ment that the year remained promising

'If their estimates are right, then at 13 In its announcement, Kodak reaf-in a radical departure for the tradi-firmed its prediction that its 1999 earn-stock, 's said B. Alexander Henderson,

> quarter. The strong dollar and shaky economies continue to take their toll on its overseas sales. Kodak remains under intense competitive pressures in its film business, and it is running into extra costs associated with its acquisition of Imation Corp.'s medical business in August.

But Kodak has just sold its cash-

Druckmaschinen AG, shedding a unit that lost \$15 million last quarter and will probably lose \$10 million in this one.

some manufacturing operations to low-cost areas such as China.

'There's definitely good reason to job, not theirs. believe that the second half will be better

search.

Kodak does face problems in the first

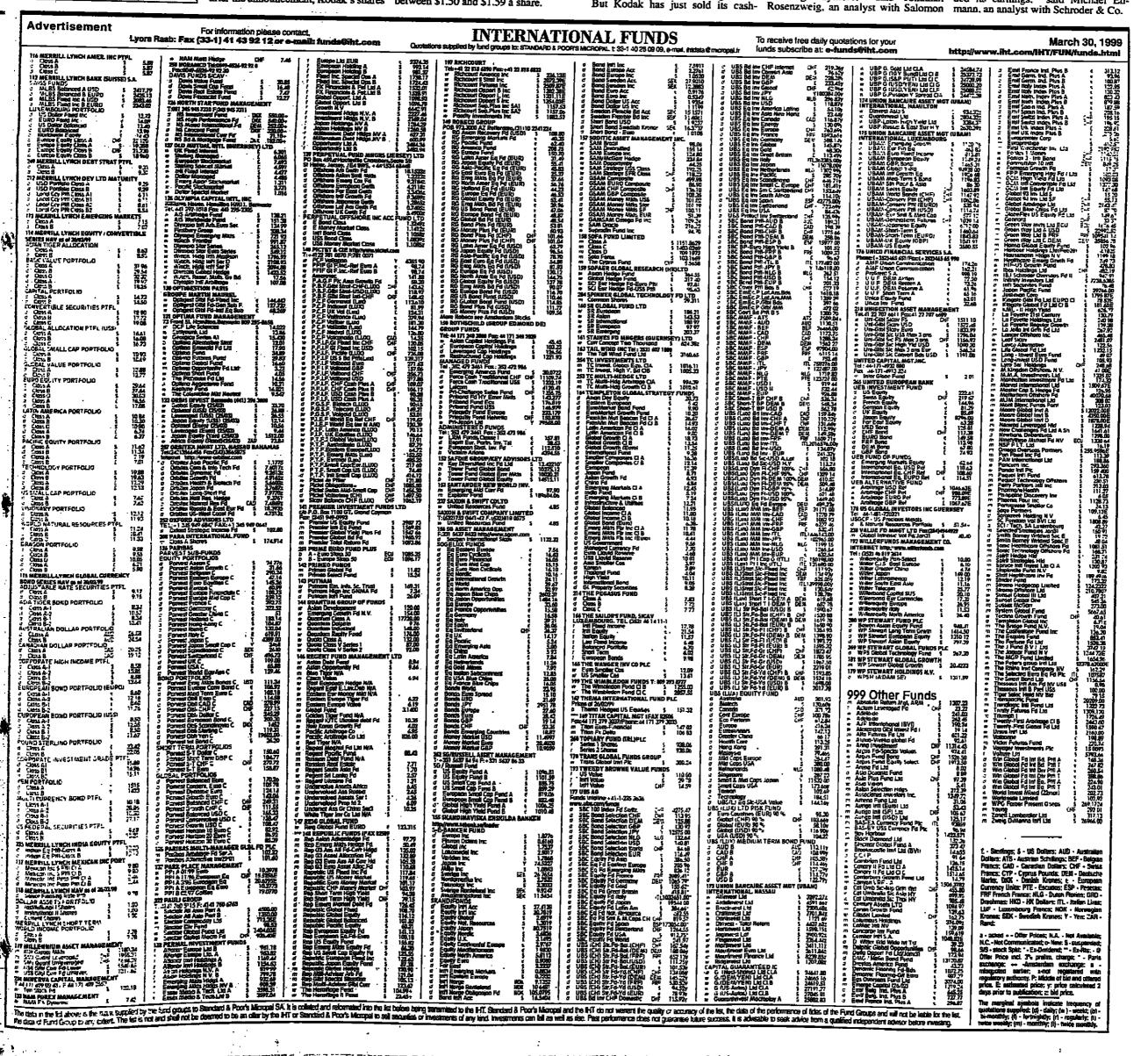
than the first, 'said Robert Stern, an analyst at Merrill Lynch & Co. Even more heartening to analysts is that Kodak's film sales, while not soar-

ing, have remained strong, and sales of the company's digital products are pick-

with its numbers seems to prove yet again that there is no zealot quite like a recent convert. Until recently, Kodak's Kodak's cost-cutting programs are ahead of schedule, and it has moved some manufacturing operations to lowand that forecasting was the analysts

"If the answer wasn't a matter of public record, they simply did not answer the question," said Ulysses Yan-nas, an analyst with Mercer, Bokert, Buckman & Reid.

Analysts welcome the changed attitude. 'Kodak is finally realizing that The top line just doesn't look so certainty that has historically surrounded its earnings." said Michael Elldaunting anymore," said Jonathan ded its earnings," said Michael Ell-



Lotal

SPORTS

Lara Hits Century

CRICKET Brian Lara made a century Tuesday as the West Indies reached 234 for five wickets in its second innings on the final afternoon of the third test against Australia. Lara was 101 not out and had shared an unbroken partnership of 129 with Jimmy Adams (34 not out) as the host chased a victory target of 308 runs.

Tour Drug Probe Widens

cycling Roger Legeay, the president of the French League of Professional Cycling and sporting director of the Credit Agricole team, and Richard Virenque, a rider, have been placed under investigation by Patrick Keil, the judge investigating the doping scandal that broke dur-ing the 1998 Tour de France, Gerald Vinsonneau, an assistant prosecutor, said Tuesday.

Legeay was questioned Monday in Lille. He was being investigated for "complicity in facilitating and inciting use" and "administration to others of doping substances." Vinsonneau said. Virenque, who rode for Festina in 1998, has been told he was suspected of "complicity in helping others to obtain and use illegal performance-enhan-(AP. AFP) cing substances.

Moncrief Hired as Coach

BASKETBALL Sidney Moncrief. the former NBA star, was hired Tuesday as the coach at Arkan-sas-Little Rock. Moncrief, who owns an automobile dealership in suburban Little Rock, has never coached before. Moncrief played college basketball at nearby Arkansas and led the Razorbacks to the NCAA Final Four in 1978. (AP)

Referee Jailed for Killing

ICE HOCKEY A former ice hockey referee and five accomplices were found guilty Tuesday of the 1997 contract killing of the head of the Russian ice hockey federation. A Moscow court sentenced Alexander Artemyev, 44, who planned the murder of Valentin Sych, to 15 years in prison. Artemyev said he acted as an intermediary.

Vyacheslav Pchelintsev, 30, a hired killer, received 19 years for liring a score of automatic rounds that killed Sych. (Renters, AFP)

Radia Comes to the Rescue

BASKETBALL Dino Radja, a Croatian center for Panathinaikos. came to the defense of his club's Serbian-born coach, Lefteri Soubotic, and punched the team owner's son after the last game in the Greek regular season Sunday. After he saw a supporter slap-

ping Soubotic, a Greek citizen. Radja chased and punched Dimitris Yiannakopoulos. 24, not knowing he was the president's son. Yiannakopoulos said he was angry because Panathinaikos failed to take first place in the standings. Panathinaikos beat league leader Olympia kos, 59-56, but needed a bigger victory to take first place. Radja apologized and the club said Tuesday there was "no problem." (AP)

WORLD ROUNDUP UConn Topples Duke in Thrilling NCAA Final

Losers 'Proud,' But as for the Oddsmakers...

By Michael Wilbon Washington Post Service

ST. PETERSBURG, Florida - We all should have learned this lesson a long time ago. Championships aren't declared, they have to be earned. Pro-nouncements didn't get Patrick Ewing's Georgetown past Villanova or Houston's Phi Slamma Jamma past North Carolina State.

Being declared the overwhelming fa-vorite, all but awarded the game in the

VANTAGE POINT

court of public opinion, couldn't get Duke past Connecticut on Monday night, either. We owe the Connecticut

Huskies a collective apology. Saturday, after Duke and Connecticut emerged victorious in their semifinals, somebody asked John Wooden if he would make a prediction. The man who led UCLA to 10 NCAA titles said:
"There's no question Duke is the bener

Then, he paused for emphasis, and said: "That doesn't mean Duke will win. They'd beat anybody in a seven-game series, but it's only one. It's just one That's what makes it so much fun. Wooden looked around with a twinkle

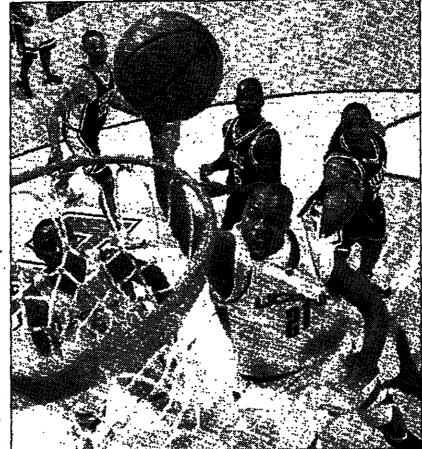
in his eye and said: "It's only one." What a "one" it was. The final chamerything you'd hope a title game would have. Nobody slowed it down, or jerked it around. There were no gimmicks or tricks or newfangled tactics. Two deadeven teams played as evenly as possible for 40 minutes, as should be the case with

a total of three games between them. "I've been involved in a bunch of terrific games, said Mike Krzyzewski, the Duke coach. "I'm proud of being involved in this game. I'm not going to be down about this game."

a pair of No. 1-seeded teams who had lost

The game and the season came down to two end-of-game chances for Duke, with the best shooter in college basketball, Trajan Langdon, isolated against probably the best defensive guard in college basketball, Ricky Moore. Defense won, so Connecticut won.

Langdon had precious little help all who played a little timidly, especially on eral of the things Duke likes to do.



Connecticut's Ricky Moore going up for a score in the game's first half.

those final possessions. William Avery, a sophomore guard, missed all seven of sophomore forward, had only two buckpionship game of the century had ev- ets all night. Corey Maggette, a freshman didn't make a shot in the second half. Langdon and his 25 points were all Duke had, which isn't enough against a team as fine as Connecticut.

Richard Hamilton of Connecticut

matched Langdon stroke for stroke, and got just enough help from Moore and point guard Khalid El-Amin.

The word "upset" is inappropriate to describe what happened. Since when did Connecticut, after going 33-2, become chopped liver? It was insane to expect Duke to beat so worthy an opponent in a

Krzyzewski is a masterful coach, the best in the business. But Jim Calhoun is just a step behind him. In November, when the season started, Calhoun began keeping scouting notes on teams such as Duke and Cincinnati on blue cards.

Four months later, he put together a night from his teammates, all nonseniors game plan that smartly took away sev-

The Duke players also seemed over-eager on offense, attempting uncharachis second-half shots. Shane Battier, a teristic and wild drives to the basket that allowed the Huskies to block four shots by intermission. The Huskies kept their energy level up all night, in part because Calhoun canceled practice Sunday and simply had his players shoot around and listen to some very specific instructions. He and Coach K hadn't left any detail unchecked, and the players responded accordingly, which is about the only way you get these kinds of games.

Two even teams - that is what we had on the final night of the college season. Anybody who thought Duke was 10 points better than Connecticut hadn't been paying attention.

But even Calhoun said that his team "did beat the best tonight. All the people who talked about how good Duke was, I don't blame 'em. I was leading the parade in saying how good Duke was. Like our guys said, we played the right team. The two best teams in the country played tonight."

That's the part too many folks ignored

Two Turnovers in Final Seconds Seal 77-74 Upset for Huskies ball. Langdon went after Moore one last

By Joe Drape

New York Times Service

were 5.2 seconds left on the clock, and Duke, the team thought to be unbeatable,

put Connecticut up by 3 points, and the ball was in the hands of Duke's Trajan Langdon, a senior who had been waiting five years to win a championship. Lang-

don dribbled down the court.

hounded by a senior named Ricky Moore as he had been all night. Moore swiped, Langdon fell. The ball rolled on the floor at Trop-icana Field. And then so did the Con-necticut Huskies. First El-Amin. Then Richard Hamilton. Then Kevin Freeman

and on and on. Connecticut, the team that was considered too soft, too inexperienced in tournament play, had just won its first National Collegiate Athletic Association men's basketball championship, defeating top-ranked Duke on Monday

night by 77 to 74.
"Everybody considered us under-dogs," said Hamilton, who was named the Final Four's most valuable player after scoring 27 points in the game and grabbing 7 rebounds. "We took it upon ourselves to take the credit at the end."

It was deliverance for a Connecticut baskeiball program that was one of the nation's best over the past decade but until this year had never reached the men's Final Four. And it was personal redemption for Jim Calhoun, one of the nation's most successful coaches in his 13 seasons at Connecticut but without a championship until now.
In bringing its title to the campus in

Storrs, Connecticut, the men's team, ranked No. 3 in the nation at the end of the regular season, matched the feat ac-complished by the Connecticut wom-en's team in 1995.

Connecticut, finishing at 34-2, upset a Duke team that went 37-2 and was seeking its third NCAA title of the 1990s. Langdon sat there and watched help-

lessly at game's end. His 25 points and heroic effort were overshadowed by two turnovers in the closing seconds. Instead of a college basketball team for the ages, the Blue Devils were now just super-

to cut the Connecticut lead to 73-72, the second half and scored the Blue Devils' Blue Devils slapped the floor in the first 5 points, including a 3-pointer with program's signature cry for defense.

session contested and each team show-casing talent in college basketball's equaled the game's biggest lead at 5 premier game.

El-Amin ignored the Blue Devils' call Huskies up by 75-72. But Moore, who clawed all night, was called for holding William Avery as he swung from the screen. The sophomore calmly sank both acrobatic points. free throws to make the score 75-74.

The Huskies gave the Blue Devils one footer from the left lane and Duke had the and beat us on loose balls."

time, taking the ball from beyond the arc and backing his way toward the basket ST. PETERSBURG, Florida—There ree 5.2 seconds left on the clock, and uke, the team thought to be unbeatable, left, he was called for traveling.

It was crunch time, said Moore, A pudgy sophomore named Khalid who had 13 points, all in the first half. "I knew it was me against him."

wanted to make a move. I've been in that situation a ton of times. I wasn't thinking about the clock. I might have traveled I might not have."

After Langdon's violation, El-Amin hit his foul

shots, Langdon lost the ball as time ran out and Con-necticut had the title. The ball was in our best player's

hands with an opportunity to win the game, 'said Mike Krzyzewski, the Duke coach. "And that's the way it should be. They played good defense — that's it."

El-Amin had 12 points as the Huskies shot 52.5 percent. Langdon's 25 and Elton Brand's 15 led the Blue Devils,

who shot only 41.1 percent. It was a long time coming for Calboun, who waited 27 seasons - 14 at Northeastern and 13 at Connecticut and experienced three heartbreaking losses in regional finals to get here.
After a furious first half that featured

six lead changes and seven ties. Duke took a 39-37 lead into the locker room. Hamilton was brilliant as he twisted through the lane and scored 11 first-half points. Connecticut's defensive effort was stifling, holding the Blue Devils to 43 percent shooting and pounding them on the boards, 20-13, in the half.

Moore, the Huskies' vaunted defend-

er, demonstrated a fierce will to share the limelight with Hamilton and El-Amin, scoring 13 first-half points in electrifying fashion. He bombed from the 3point line, burst around his old high school teammate, Avery, and soared over Shane Battier for a finger roll and capped his half with a reverse, fall-away

bank shot over the lunging Brand.
On the defensive end, he was just as determined, making Langdon work for each of his six shots on his way to 12 first-half points. But Langdon, an all-American, showed why he is a feared shooter by sinking 3 of 5 from beyond the 3-point arc, including one over Moore that resulted in a 4-point play and gave the Blue Devils their halftime

with 1:42 left, his 25th point of the night, Moore chin-to-chin with him. When It had been a brawl with every pos- Avery blew by El-Amin and dumped the

points, 46-41. When El-Amin picked up his third as the shot clock ticked off to just foul and went out with 17:17 left, the three seconds — and launched a one-hander from the left baseline to put the rather than roll over. Over the next 5 minutes, they turned a 5-point deficit into a 4-point lead as Hamilton jetted through the middle of the lane for 6

"They broke our defense down." said Chris Carrawell of Duke. "No one has last chance. El-Amin forced an eight- done that all year. They outhustled us

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Hawks Again Claw League-Leading Pacers

The Associated Press

INDIANAPOLIS - The Indiana Pacers have the best record in the National Basketball Association's Central Division. It would be even better if they didn't have to play the Atlanta Hawks.

The Hawks have won all three meetings with the Pacers this season, including an 83-82 victory Monday.

"Every game we've had the lead and haven't been able to close it," said Larry Bird, the Pacers' coach. "Hopefully, we can bounce back from this fiasco." Anand Grant Long made two free throws

with 3.4 seconds left as the Hawks won their fifth straight game.

Johnson filled in for Mookie Blay-

lock, who had the flu. Dikembo

NBA ROUNDUP

Mutombo had 14 points and 17 rebounds for the Hawks, who overcame a 10-point deficit in the final eight minutes and held Indiana to a season-low 14 points in the last quarter.

Nuggets 100, Clippers 88 Antonio Mcthony Johnson, making his first start for Dyess had 24 points and 15 rebounds Atlanta, scored a season-high 17 points and Chauncey Billups added a season-

four-game losing streak. The visiting Los Angeles Clippers

shot 37 percent from the field against a Denver team ranked next-to-last in the league in field-goal percentage defense. Lakers 116, Grizzlies 98 Shaquille

O'Neal scored 26 points and Glen Rice had 12 of his 24 in the fourth quarter as Los Angeles pulled away to beat visiting Vancouver. Dennis Rodman had 17 rebounds for

the Lakers. SuperSonics 109, Mavericks 101 Garv.

Payton and Detlef Schrempf each scored

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SPORTS

Gretzky Gets 1,072d Goal, Surpassing Howe's Total

By Joe Lapointe
New York Times Service

NEW YORK - A few minutes earlier, during a New York Ranger power play, Wayne Gretzky had taken a good shot from a good spot but got beat by the New York Islanders' goalie, Wade Fla-

herty.
"Darn," he said, or a word to that effect, as he winced and made a sharp gesture of frustration.

Returned to his center position because of an injury to Petr Nedved, Gretzky had been firing the puck better and more often than in most games this

NHL ROUNDUP

season. His next chance came soon, with more than two minutes remaining in the third period and the score tied at 1-1 Monday in Madison Square Garden.

After an Islander turnover, Gretzky fired, and Flaherty blocked the first shot while falling back. As if in a slowmotion dream sequence from a film, the puck lay in the blue-painted ice of the real goals scored by real stars in real crease. Players for both teams struggled and fell atop the goalie. Gretzky charged forward, stick extended.

"I barely got to the puck," he said. "I 1978, played one season in the WHA. hate to say I kind of panicked. I felt like I couldn't get to it."

I barely got to the puck," he said. "I 1978, played one season in the WHA. Howe had 202 goals in the WHA and I couldn't get to it."

But he got to it and pushed it over the red goal line to give the Rangers a 2-1 lead that became a 3-1 victory.

Wayne Gretzky celebrating his record-breaking goal on the ice at Madison Square Garden with a New York Rangers teammate, Adam Graves.

in both the National Hockey League and the World Hockey Association. It put in Monday's other game, The him past the record held by Gordie Howe, Gretzky's idol when he was a boy and the man Gretzky calls the greatest

player in the history of the game. The record won't be official, because the NHL does not recognize the WHA, a rival league of the 1970s. But these were

Gretzky, who broke in as a 17-yearold with the Indianapolis Racers in

Gretzky has only nine goals this season, only one since Jan. 10. He missed 12 games since then with a disk injury in It was Gretzky's goal No. 1,072, his neck, and this was his fourth game regular season and playoffs combined, back. He finished the game with seven

In Monday's other game, The Associated Press reported:

Canacks 1, Coyotes 0 Garth Snow stopped 22 shots for his second straight shutout against Phoenix, while rookie Peter Schaefer scored the lone goal. The visiting Coyotes have gone 154

minutes and 46 seconds without scoring against Vancouver. **■** Bure Out for Season

Pavel Bure's first season with the Florida Panthers is over after just 11 games, lost to the second reconstructive surgery on his right knee in less than four years. The Associated Press reported from Miami.

The high-scoring Russian underwent Monday in Birmingham,

Players, Yes, but First They're Men

ONDON - Sports, not war, is a pretty lame cry at this time in Europe. As relentless as the falling bombs over Yugoslavia are the calls on players to do their national duty in the Euro 2000 qualifiers — 17 matches last weekend, 15 scheduled for Wednesday and, inevitably, half a dozen postponed because it is unsafe to put players into the air in or around the Balkans.

You would think even soccer officials might get their priorities straight. But no, there are those already complaining that cancellations mean congestion and unfair strain on their players when the ules and stay out of this minefield? games are eventually played. The poor, precious darlings!

Surely with all the mingling of na-tionalities, Yugoslav side by side with Croat in the Real Madrid attack, for example, it ought to dawn on soccer's employers and employees that before any individual becomes a valued player he is first and foremost a man. He has family, roots, loyalties; he is a product of his background, as we all are.

So when a human being, miles and miles from his homeland, afraid for his kinfolk living in dark cellars or running from their territory, protests, is that not the least we might expect?

'I could not wear the jersey of Real Madrid knowing that my parents are sleeping in a garage," said Predrag Mijatovic, a Montenegrin, who, this time last year, was the main weapon as Madrid recaptured European glory.

A man with an instinct to strike that few in the world can better, and the father of a child stricken by dreadful brain illness, Mijatovic is human all right. Instead of representing Yugoslavia on the field against Croatia in Belgrade last Saturday he participated in a demonstration in Madrid against the NATO air strikes. "Until our families emerge from their cellars," he said, "we Vantage Point/Rob Hughes

He and others outside the U.S. Embassy in Madrid, including Savo Mi-losevic, who has played in England and plause and frustrate followers in equal Spain, had the hollow-eyed hopelessness measure through his beguiling but erof people who, through the very strengths that make them world travelers and rich beyond dreams, would make ideal conscripts were they on home soil.

When the playing stops and war starts. what else can they do but side with their people? And what should the soccer authorities do, other than rework the sched-

This is a testing time, too, for administrators who sit in Swiss chateaux and who, unfortunately, fired off the old broadside that sports and politics should not mix. Politics? If only this were nothing more. This is war, genocide, killing. And these are players who are encouraged to act from the soul, to do the instinctive.

In France and in England, the impulses of Yugoslav players were more extreme than Mijatovic's. Vladan Lukic, a Metz forward, said that he had finished with sports and was offering his services to the war effort. Sasa Curcic, a playmaker with Crystal Palace, marched around the club's stadium before Sunday's game against Bradford, clad in soccer gear but Austria the laughing stock of Europe, holding a banner: "Yugoslavia — Stop resigned. In Athens that same day, holding a banner: "Yugoslavia — Stop NATO Bombing.'

Stop him was UEFA's message. The implication was that Curcic risks being fined, as Robbie Fowler of Liverpool was three years ago for wearing a jersey supporting fired dockworkers, or censored, as the Norway national squad was for demonstrating against French nu-clear testing in the Pacific.

curtail overt use of the sporting arena for political protest. But the leaders of sport, in their worldly wisdom, must be able to see the heartache of a relatively young The Times of London.

player such as Curcic who came out of

reprint his nationalistic outpourings, but it is fair to point out that he is lonely and tortured by fears for four generations of his family back home in Belgrade.

He and his Serbian compatriot Gordan Petric were left out of Palace's match on Sunday even though the club, horribly mismanaged, needs every player and every point.

Now where were we before war stopped play? Ah yes, the games. They go on, of course, but somehow I haven the urge to write about the groin strains. "pressures," the winner-takes-all pursuit of points. Normal service will be resumed when men can compete under normal rules of sharing this planet.

However, what exactly is normal in our world of sports? On Saturday, you'll recall, Spain rained in nine goals against Austria and Herbert Prohaska, the Austrian coach, having slept on it and called it the "debacle of the century, making Anghel lordanescu, who quit the Romanian national team for the greater riches that Greece could pay him, quit again after Norway beat Greece, 2-0.

These are supposed sporting contests, stepping stones along the way to qualifying for a tournament that is not even a World Cup. And in the ethos of sports, the prevailing attitude is that we must For the most part, UEFA is right to have fall guys for every defeat. Casurtail overt use of the sporting arena for ualties of the peace?

Rob Hughes is chief sports writer of

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7-11 2-416. Lopez 7-19 2-3 16. Lokers: O'Neol 10-20 6-7 26. Rice 7-17 6-7 24. Rebounds: Vancouver 60 (Massenburg 12). Lokers 37 (Rodman 17). Assists: Vancouver 27 (Bibby

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Ranagers Groves 36 (Lerca, macu-may a islanders Czerkówski 15 (Linden, Caims) Third Period: Rangers Gretzky 9, 4 N.Y., MacLean 26 (Adalhotra, Sundatrom) (en). Shots en goat: Islanders 4-6-12—22. Rangers 14-9-13—35. Godfes: Islanders Ficherly.

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2. (2) Lindsay Devempert, U.S., 5,310
3. (3) Montics Seles, U.S., 3,919
4. (4) Jona Novetine, Czech Republic, 3,766
5. (7) Steffi Graf, Germany, 3,079
6. (6) Venus Willicus, U.S., 2,789
7. (5) Arantza Sonchez Vicorio, Sp., 2,847
8. (8) Mary Pierce, France, 2,395 8. (8) Mary Pierce, France, 2.395

(8) Mary Pierce, France, 2,395
 (9) Amanda Coetzer, South Africa, 2,183
 (10) Natholie Tauziat, France, 2,086
 (11) Sandrine Testud, France, 1,994
 (12) Pathy Schmyder, Switzerland, 1,967
 (14) Aruelle Mauresma, France, 1,872
 (15) Irina Spiriea, Ramania, 1,828
 (17) Dominique Van Roots Belg., 1,816
 (previous week's tambiata in brockets)

TRANSITIONS

DETECT—Put INF Jason Wood on 15-day
Stabled list.

Los angeles—Put INF Antonio Osuna
and INF Alex Cora on 15-day DL retroctive
kNP Scott Taylor and RHP Roland De La
Maza.

MINNESOTA—Optioned 18 David Ortiz and RHP Frank Rodriguez to Sait Lake, PCL M.Y. YANKEES—Put OF Jerome Walton on

Conditional release.

OAKLAND—Optioned C Roman Hernandez to Aktawa—Optioned C Roman Hernandez to Aktawa—Optioned C Roman Hernandez to Starttle—Released RHP Bill Swift.

TAMPA BAY—Acquired OF Danny Clyburr and player to be named from Bothimore for RHP Jeson Johnson.

TORONTO—Put RHP Paul Quantrill and RHP Bill Risley on 15-day disabled list.

dinator Dave Collins to 1st base coach, ma Ron Desfer from 1st base to 3d base coach and made 3d base coach Harry Dunlap co-

FLORIDA-Traded OF Pat Walkins to Col

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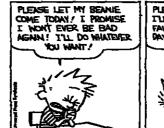
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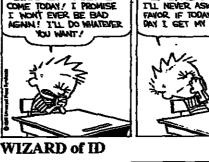


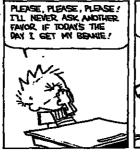






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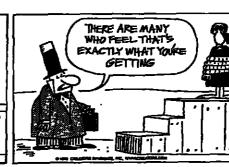




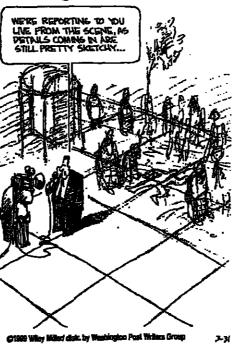








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Divine Intervention

By Clifford Krauss
New York Times Service

OPACABANA, Bolivia — They drive from all over Bolivia, Peru and even for this town of 5,000 people. northern Argentina to this re- Banks stay open on Sundays mote town on the shore of to accommodate travelers. In-Lake Titicaca -- taxi drivers, dian women selling minitruck drivers and other mo- atures of the Virgin Mary, torists seeking a priest's bless- flowers and other items do a ings for protection against brisk business. drunken drivers, landslides,

bad brakes and broken axles. Every morning and afternoon, but particularly on Sundays, Copacabana's central plaza becomes a jammed neys through the Andean highlands.

The drivers drape their side-view mirrors and bumpers with colorful ribbons and bushels of pink and white gladiolus. They sprinkle their hoods with the petals of white dians believed the universe roses. Then they give their was created; on the Island of tires a spritz of Bolivian the Sun, a short boat ride from hoods with the petals of white champagne, beer or, for those the town's rocky beach. The on a budget, mineral water.

home until one of six Fran- America's central highlands ciscan priests sprinkles holy water on their dressed-up vehicles and says a prayer asking for divine intervention against everything from ac-cidents to faulty directions arrived in the mid-16th cenand gas shortages.

surance," said Mario Kempy center of Copacabana with a Avelo. 23, who drove his new huge Moorish-style cathedral minivan from La Paz as part graced by tile domes that still of his preparations in starting glisten in the sun. a taxi business. "I can't afford any accidents, so I came Candelaria, which is today as an act of faith." Candelaria, which is today lodged above the Copacabana

tics, but Bolivian experts on of the holiest relics in all of folklore say the number of motorists who make the pil-

level every year easily reaches into the tens of thousands.

The popularity of the pilgrimage makes it the most important source of income

The custom of driving to Copacabana as a religious rite began in the 1950s, when a sweeping government land reparking lot of rattletrap buses distribution program put and minivans splotched with money in the pockets of the mud from long, arduous jour- rural masses and created a new class of drivers. But the ritual has its roots much further in the past, with the ancient Aymara and Inca Indians.

The town's holiness originated from its proximity to where the ancient Andean In-Indians came to Copacabana The pilgrims don't drive from throughout South - journeys that sometimes lasted months - to sacrifice white llamas and vicunas to

their gods. tury, the Spaniards first tried to ban the Indian rituals as "This is better than car in- covered Indian idols in the

The so-called Virgin of No one keeps exact statis- cathedral's altar, remains one South America - and, naturally, a must visit for all the grimage to this town 12,000 drivers who come here for di-feet (4,000 meters) above sea vine guidance and protection.

Lighting Minds Darkened by Misfortune

By Edward Rothstein New York Times Service

NEW YORK — During an un-usual course in philosophy and literature that Earl Shorris was teaching for the poor and homeless, a student who had a history of violent behavior telephoned him.

The student had become so angry with a colleague, he reported, that he wanted "to smack her up against the wall." Shorris feared the worst. Was this a call from jail? No. because instead of striking outward, the student had reflected inward and asked himself, "What would Socrates do?"

Not even a university provost, I imagine, would raise such a question in the heat of confrontation. But in his 1997 book on American poverty, "New American Blues," Shorris also tells of prisoners in a maximum-security prison reading Boethius's "Consolation of Philo-sophy," and of yet another prisoner who recommended that Shorris take his homeless students to museums and teach them Plato's "Allegory of the Cave."

It is startling to read about lives that have been ruined by criminal choices, crippling addictions, disturbed minds or accumulated misfortunes being so touched by Great Books and High Art. But Shorris has been proselytizing for their potential for salvation for some years, and earlier this month. The New York Times reported that his initial 1995 class, which was created after intensive screening of candidates. has now become a model for a five-

Bard College. The irony is that all this is taking energy has been expended in universities to undercut the authority homeless: Plato and Aristotle, Euripides and Pericles, William Blake ate for college students. and symbolic logic. As he makes clear in his book, one of the inspirations for his enterprise was the seeks, he says, to use the humanities



Ellen Shore, Michael Newton and Steve Fallon, a professor, in a classics' course at Notre Dame.

Maynard Hutchins in the 1950s at awakens a sense of resentment the University of Chicago, where Shorris says he received "the best education in America." The undergraduate degree required 14 year-long required courses and allowed only two electives.

But even the University of year multistate program run by . Chicago has long since left behind such rigors, and is now trying to The irony is that all this is taking shed its monastic reputation still place in a period when so much further, increasing electives, decreasing requirements and market-ing itself as a more fun place. Shorof the very material Shorris is pro- ris is advocating a more serious moting to the imprisoned and the approach for the poor than is often and the poor have been learning the considered necessary or appropri-

But he is also not the best advocate for such an enterprise. He educational philosophy of Robert for political purposes. Thus, he first chiavelli for the disenfranchised.

And the humanities have a use, he says. They help people become political, teaching them how to use power: "If you want real power, legitimate power, the kind that

to the people, you must understand politics; the humanities will help. This does of course skew the ways Plato or Aristotle might be read or museums might be visited. humanities for generations at pub-lic universities. Shorris's approach risks turning all readings into power lessons, turning philosophical texts into variations on Ma-

comes from the people and belongs

And to put it mildly, Shorris does not always inspire the greatest of confidence with his own interpretations. He argues, for example, that the study of the humanities should, politically, "belong to the left" because the study of the humanities "is in itself a redistribution of wealth.

He engages in a series of egregious misreadings of recent texts, distorting, for example, a passage from Allan Bloom's controversial book "The Closing of the American Mind" that seems very clear. Bloom, who was attacking university culture, explained that his experience was with students who had the luxury of pursuing a liberal-arts education, who were "raised in comfort and the expectation of everincreasing comfort." Those very in the sunlit, open air.

comforts, Bloom suggested, actually contributed to a cursory un-

derstanding of the world. Yet Shorris states that Bloom believed that only the wealthy are "fit for a liberal education." that such an education should be withheld from the poor. One can argue with things Bloom said, but not with this, which Bloom did not say.

It may also be that Shorris is such a good teacher that his motivations matter less than his ability to make the texts resonate with the students' experience. Plato's cave may really be the best analogy. Recall that cave: Prisoners are underground watching shadows dancing on the walls. They create elaborate theories about their shadow universe. They construct crude notions of the world.

Then one day they see the source of the light in a cave fire and realize they have been contemplating illusions. The task of philosophy is to show eventually that even fire is just a distant image of a finer light. The philosopher leads the prisoners out of the cave into the light of the sun. At each stage of the way, the prisoners understand their world according to the limits of their ex-

perience.
The greatest books will reveal the flickerings of the fire, leading the student into new understandings. But they do not provide a final answer; rather, they provide ways of thinking. They do not answer an ideological call; they undermine it.

Shorris's political appeal may just be the inadequate first step, taking place within the cave. Once hooked by such habits of thought, though readers might be led by these books

and their teachers to go further. What a powerful idea it is: to engage those who are most wounded and most wounding in a project of moral, social and intelectual illumination! The puzzle is why this approach to Great Books, however skewed an inspiration, is now becoming established at the cave's darkest corners, but is viewed with increasing skepticism by institutions supposedly thriving



Isaac Stern will teach young musicians in Cologne for a week.

THE violinist Isaac Stern is in Ger-I many for the first time since he was there as a U.S. soldier a half-century ago. The 78-year-old virtuoso will not be performing but will give master classes to young musicians. "I have a responsibility to pass on to the next generation what I learned from my teachers," he said. "It keeps me young and reminds me where I came from. Teaching young artists is like giving water to a flower." Stern was born in Russia but moved to the United States with his parents when he was a baby and is an American citizen. He is the president of Carnegie Hall.

David Hoffman, chief of The Wash-ington Post's Moscow bureau, has been named the winner of the SAIS-Novartis Prize for Excellence in International Journalism for a group of articles detailing the legacy of the Soviet mil-itary-industrial complex in post-Com-munist Russia. The annual \$15,000 prize

was established in 1995 by the Paul H.

Nitze School of Advanced International

Studies at Johns Hopkins University and ical Center in Mission Viejo, California, supported by a grant from Novartis Ltd.

PEOPLE

Larry Fortensky, Elizabeth Taylor's former husband, who was critically injured two months ago in a fall down a flight of stairs, is out of the hospital. Fortensky, 46, was released from Mission Hospital Regional Medinto the care of his family, a hospital spokeswoman said. He fell at his San Juan Capistrano home on Jan. 28.

A grand jury in Tennessee will investigate whether George Jones should he charged in a car wreck in which he was critically injured. The district at-

The Return of Hannibal the Cannibal

New York Times Service NEW YORK - Hannibal the Cannibal is back. Hannibal Lecter, the VILIAIN OF LEIGHAS HAITIS S LYGG EOV Lambs," will continue his adventures in a sequel, "Hannibal," delivered

unexpectedly last week by Harris to his publisher, Delacorte Press. The novel is being rushed into print, said Harris's editor, Carole Baron, who is president and publisher of Dell Publishing. (Delacorte Press is Dell's hardcover imprint.) Baron said the book, which took Harris 10 years to write, would go on sale June 8.

Baron said the manuscript was about 600 pages long and would be about 480

pages in print.

"Although I had been discussing it with Torn for the past few years," she said, "I resisted asking when he was going to finish it."

tomey of Williamson County, Ronald Davis, said: "There are enough open questions in this case" that a grand jury should hear all the evidence. The country singer lost control of his sport utility vehicle and crashed into a bridge on March 6. His family said he was talking on a cellular phone at the time of the crash, and the Tennessee Highway Patrol said a half pint of vodka less than half full, was found under the passenger's seat of his vehicle. Jones suffered a punctured lung and lacerated liver.

The actor Rodney Grant has pleaded Grant, who played Wind in His Hair in the 1990 movie Dances With Wolves," was indicted in January for failing to pay child support to Christina Mesa, the mother of his three teenage children. The indictment said that Grant had made only one child-support payment since August 1992, despite having earned more than \$685,000 from 1992 through 1997. Grant is scheduled to be sentenced in federal court on June 21.



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